

Part-Year Residents (tax year 2005)

Bulletin GIT-6

Introduction

In general, when you change your domicile to (or from) this State during the year, you are a resident of New Jersey for part of the year (part-year resident) and a nonresident of New Jersey for part of the year (part-year nonresident). Your move is generally considered a change of residency status (resident to nonresident or vice versa) if at the time you moved, you intended to permanently leave one home and establish a new, fixed, and permanent home somewhere else. This bulletin explains:

- *Who is a part-year resident/part-year nonresident for New Jersey income tax purposes, as well as who is a full-year resident or nonresident;*
- *What your New Jersey income tax responsibilities are as a part-year resident/part-year nonresident;*
- *How to complete a part-year New Jersey income tax return; and*
- *When a part-year resident must file **both** resident and nonresident income tax returns with New Jersey in the same tax year.*

This bulletin covers filing requirements for individual residents and nonresidents only. The examples illustrate how to prepare part-year tax returns for 2005. For information on estates and trusts, see the instructions for the New Jersey Gross Income Tax Fiduciary Return (Form NJ-1041).

Definitions

For New Jersey income tax purposes, your residency status depends on where you were domiciled and where you maintained a permanent place of abode during the tax year.

Full-Year Resident

You were a full-year New Jersey resident if:

- New Jersey was your domicile for the entire year, and you did not satisfy all three conditions for nonresident status (below); or
- New Jersey was not your domicile, but you maintained a permanent place of abode in New Jersey for the entire year and you spent more than 183 days in New Jersey. (Members of the U.S. Armed Forces stationed in New Jersey who are not domiciled here are not residents under this definition.)

Full-Year Nonresident

You were a full-year New Jersey nonresident if:

- New Jersey was not your domicile, and you spent 183 days or less here; or
- New Jersey was not your domicile, you spent more than 183 days here, but you did not maintain a permanent home here; or
- New Jersey was your domicile and you met all three of the following conditions for the entire year:
 1. You did not maintain a permanent place of abode in New Jersey; and
 2. You did maintain a permanent place of abode outside of New Jersey; and
 3. You did not spend more than 30 days in New Jersey.

Part-Year Resident/Part-Year Nonresident

If, as a result of a change of your domicile, you met the definition of New Jersey resident or nonresident for only part of the year, you are a resident for part of the year (*part-year resident*) and a nonresident for the remainder of that year (*part-year nonresident*).

Domicile is any place you regard as your permanent home—the place to which you intend to return after a period of absence (e.g., vacation abroad, business assignment, educational leave, etc.). You have only one domicile, although you may have more than one place to live. Once established, your domicile continues until you move to a new location with the intent to establish a fixed and permanent home there. Moving to a new location, even for a long time, does not change your domicile if you intend to remain only for a limited time.

Domicile is based on many factors, including your intent, where you register to vote, maintain a driver’s license and vehicle registration, have family ties, etc. *You can have only one domicile at a time.* The burden of proof is upon the person asserting a change of domicile to show that the necessary intention existed to abandon his or her domicile in one location and to establish a fixed and permanent home in another.

Permanent place of abode is a residence (a building or structure where a person can live) that you maintain permanently as your household, whether you own it or not. It usually includes a residence your husband or wife owns or leases.

A residence, whether inside or outside of New Jersey, is not *permanent* if you maintain it only during a temporary or limited period of time, no matter how long, for the accomplishment of a

particular purpose (e.g., temporary job assignment). Likewise, a home used only for vacations is not a permanent place of abode.

If New Jersey is your domicile, you will be considered a resident for New Jersey tax purposes *unless* you meet all three conditions for nonresident status. See *Full-Year Nonresident* on page 1. Likewise, if New Jersey is not your domicile, you will be considered a New Jersey resident only if you maintain a *permanent* place of abode in New Jersey and spend more than 183 days here.

Filing Requirements

Your filing status and gross income determine whether you have to file a New Jersey income tax return. Age is not a factor in determining whether a person must file. Even minors (including students) and senior citizens must file if they meet the income filing requirements.

To find out whether or not you are required to file a New Jersey income tax return, use the “Who Must File” chart in either the resident (NJ-1040) or nonresident (NJ-1040NR) return booklet.

Time Period Covered by Return (Full-Year or Part-Year)

The period covered by your return will be twelve months (full-year return), or less than twelve months (part-year return). Most taxpayers use a calendar year (January 1–December 31) to record their income. Fiscal year filers use a different period (e.g., July–June). This bulletin assumes that you are a calendar year filer.

New Jersey has two personal income tax returns for individuals: Form NJ-1040 for residents and Form NJ-1040NR for nonresidents. New Jersey

does not have separate tax returns for part-year residents or part-year nonresidents. You must use either Form NJ-1040 or Form NJ-1040NR (or both) depending on your residency status during the year, and show the income you received during the period of time covered by the return. Part-year residents use the same form as full-year residents (Form NJ-1040) and indicate the period of their New Jersey residency above Line 1. The return should show only the income received during that period. Likewise, part-year nonresidents use the same form as full-year nonresidents (Form NJ-1040NR), and indicate above Line 1 the period of time they were New Jersey residents.

If you file a part-year nonresident return, you will *also* file a part-year resident return, unless you had no income during the part of the year you were a resident. You must allocate your income between the resident and nonresident returns as appropriate. That is, report the income you received during the time you were a resident on your part-year resident return, and report the income you received during the part of the year you were a nonresident on your part-year nonresident return.

Examples

1. Mary Smith was a New Jersey resident from January 1 through December 31. She files a “full-year” resident return which shows income received during the twelve-month period January–December.
2. Harry and Louise Evans were New Jersey residents from May 1 to December 31. They must file a “part-year” resident return and

report the income they received during their period of residency (May–December).

NOTE: If they had income from New Jersey sources between January 1 and April 30, the period when their residency status was “nonresident,” they must file a New Jersey part-year nonresident return, too. See *Part-Year Nonresidents* on page 5.

3. Jane Henderson was a full-year resident of New York who worked in New Jersey from July through November. She files a “full-year” nonresident return because she was a nonresident for the entire year. Her New Jersey nonresident return will show the income she received during the period she was a nonresident i.e., January–December.
4. Adam Crenshaw worked in New Jersey for the entire year. For three months of the year he was a New Jersey resident and for the remaining nine months, a Delaware resident. Adam must file two New Jersey income tax returns: (1) a “part-year” resident return which shows the income he received during the three months he was a New Jersey resident and (2) a “part-year” nonresident return which shows his income during the period he was a nonresident of New Jersey.

Residency Status and Income

Full-Year Residents—

- *You must file a full-year New Jersey resident income tax return if you were a New Jersey resident for the entire year and your gross income for the entire year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return).*

- *You are not required to file a full-year New Jersey resident income tax return if you were a New Jersey resident for the entire year and your gross income for the entire year was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return).*

NOTE: Full-year residents whose income is below the amount at which they would be required to file a tax return **must** file Form NJ-1040 (or file electronically using NJ TeleFile, NJ WebFile, or approved vendor software) to claim a refund of tax withheld from wages or estimated payments made. You must also file a return to receive a New Jersey earned income tax credit even if you have no tax liability to New Jersey.

Part-Year Residents—

- *You must file a part-year New Jersey resident income tax return if you were a New Jersey resident for part of the year and your gross income from all sources for the entire year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return) and you received any income (whether from New Jersey sources or not) during the part of the year you were a New Jersey resident.*

You are subject to tax on the income shown on your part-year resident return if your gross income for the entire year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return), even if the income you reported on your part-year return for the period of New Jersey residency was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return).

No New Jersey income tax is due if the income you received during the entire year was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return). If your gross income was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return), enclose a copy of your Federal income tax return when you file your part-year New Jersey return. If you did not file a Federal return, enclose a statement with your New Jersey return certifying that your income for the entire year was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return).

NOTE: When you are a part-year New Jersey resident, you are a nonresident for the remainder of that year. See the filing requirements for *Part-Year Nonresidents* on page 5.

Examples

1. During 2005, Jane Hanson, single, was a resident of California for ten months and a New Jersey resident for two months. Her income as a California resident totaled \$23,000, and the income she received during the two months she was a New Jersey resident was \$2,900. Jane is subject to tax on the \$2,900 she received as a part-year New Jersey resident because her income for the entire year was more than \$10,000.
2. Martha Gibson, single, was a New Jersey resident from January through September 2005, when she moved to Florida and became a resident there. Her income as a New Jersey resident totaled \$5,800 and her income while a Florida resident was \$600. Martha is

not required to file a New Jersey part-year resident return, and she owes no New Jersey income tax on the \$5,800 she received as a part-year New Jersey resident because her income for the *entire* year was \$10,000 or less. However, Martha must file a return to claim any refund of New Jersey income tax that was either withheld or remitted through estimated payments. When she files her 2005 New Jersey return, Martha must enclose a copy of her Federal income tax return or, if no Federal return is filed, a statement certifying that her income for the year was \$10,000 or less.

Full-Year Nonresidents—

- *You must file a full-year New Jersey nonresident income tax return* if you were not a New Jersey resident for any part of the year and your gross income for the entire year from all sources (both inside and outside New Jersey) was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return) and you received any amount of income from New Jersey sources during the year.
- *You are not required to file a full-year nonresident return* if you were a nonresident for the entire year and your gross income from all sources (both inside and outside New Jersey) was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return).

NOTE: Full-year nonresidents whose income is below the amount at which they would be required to file a tax return **must** file Form NJ-1040NR to claim a refund of tax withheld from wages or estimated payments made.

Part-Year Nonresidents—

If you were a New Jersey resident for part of the year, you were a nonresident for the remainder of that year. File part-year resident and/or nonresident returns as follows:

- *You must file both a part-year resident return and a part-year nonresident return* if your gross income from all sources for the entire year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return) and you received income (whether from New Jersey sources or not) during the part of the year you were a resident and you received any amount of income from New Jersey sources during the part of the year you were a nonresident.

File only a part-year resident return if you received income (whether from New Jersey sources or not) during the part of the year you were a resident, but you had no income from New Jersey sources during the part of the year you were a nonresident. See *Part-Year Residents* on page 4.

- *You must file only a part-year nonresident income tax return* if your gross income from all sources for the entire year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return) and you had income from New Jersey sources during the part of the year you were a nonresident and you had no income during the part of the year you were a resident.

No New Jersey income tax is due if the income you received from all sources during the entire year was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate

return). If your gross income was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return), enclose a copy of your Federal income tax return when you file your part-year New Jersey return. If you did not file a Federal return, enclose a statement with your New Jersey return certifying that your income for the entire year was \$20,000 or less (\$10,000 or less if filing status is single or married, filing separate return).

- *You need not file either a resident or a non-resident return* if you received no income during the part of the year you were a resident, and no income from New Jersey sources during the part of the year you were a nonresident.

Filing Status Considerations

Spouse With Different Residency Status

New Jersey law requires that your filing status for New Jersey gross income tax purposes be the same as for Federal income tax purposes. If you do not file a Federal return, but you are filing a New Jersey return, use the same filing status that you would have used if you had filed a Federal return. For more information request Tax Topic Bulletin GIT-4, *Filing Status*.

In general, if you are married and file a joint Federal return with your spouse, you must file a joint New Jersey return. If you and your spouse file separate Federal returns, separate State returns must also be filed.

- *One spouse New Jersey resident, other spouse nonresident for entire year.* An exception exists to the requirement that you use the same filing status on your New Jersey income tax return as you do on your Federal return

when one spouse was a New Jersey resident and the other a nonresident during the entire year. In this case, separate New Jersey returns may be filed (the resident files a resident return and the nonresident files a nonresident return), even though the couple files a joint Federal return. Each spouse computes income and exemptions as if Federal married, filing separate returns had been filed. The spouses have the option of filing jointly as residents, but if they do, their joint income (from both inside and outside New Jersey) will be taxed as if both spouses were residents.

- *Married taxpayers, both nonresidents; only one spouse has income from New Jersey sources.* If both spouses were nonresidents of New Jersey during the entire taxable year and only one spouse earned, received, or acquired income from New Jersey sources, the spouse who had income from New Jersey sources may file a separate New Jersey return, even though a joint Federal return was filed. The spouse with income from New Jersey sources computes income and exemptions as if a Federal married, filing separate return had been filed. The spouses have the option of filing a joint return, but if they do, joint income must be shown on the nonresident return. For more information on completing the nonresident return, see the instructions for Form NJ-1040NR.

Remember: *A nonresident return must be filed if you received any amount of income from New Jersey sources as a nonresident, and your income from all sources (both inside and outside New Jersey) for the **entire** year was more than \$20,000 (\$10,000 if filing status is single or married, filing separate return).*

How Residents and Nonresidents Are Taxed

Residents. New Jersey residents are subject to tax on their income from all sources, whether the income is from inside or outside of New Jersey. As a part-year New Jersey resident you must report on your resident return all the income you received during the period of time you were a New Jersey resident, whether in the form of money, goods, property, benefits, or services, unless specifically excluded by law. Married persons filing jointly must report the income of both spouses.

The following are examples of income you must report if earned or received *while you were a resident of New Jersey*: wages, fees, or commissions earned in New Jersey or elsewhere (including a foreign country); interest received on a bank account whether located in or out of New Jersey; gain from the sale of property both in and out of New Jersey; lottery winnings from any state other than New Jersey; net profits from business, regardless of where the business is located; etc.

Remember: *When completing your part-year resident return, report only the income you received during the time period covered by your resident return.*

Part-year residents must prorate all exemptions, deductions, and credits, as well as the pension and other retirement income exclusions, to reflect the period covered by their return. For example, a full-year New Jersey resident is entitled to a \$1,000 personal exemption; whereas a resident for six months is entitled to a personal exemption of only \$500. See *Completing a Part-Year Resident Return* on page 8.

Nonresidents. For nonresidents, New Jersey income tax liability is based on the percentage of their total income which comes from New Jersey.

The income section of the New Jersey nonresident return has two columns—Column A, income from everywhere and Column B, income from New Jersey sources. In the first column, report your income from all sources (both inside and outside New Jersey) as if you were a resident, and in the second column, list only income which was derived from New Jersey sources. Pennsylvania residents see page 17.

In accordance with Federal legislation (Service-members Civil Relief Act, P.L. No. 108-189) nonresident servicepersons are *not* required to include their military pay in either their “income from everywhere” (Column A) or “income from New Jersey Sources” (Column B) on the New Jersey nonresident income tax return. For more information, request Tax Topic Bulletin GIT-7, *Military Personnel*.

Remember: *When completing your part-year nonresident return, report in each column only the income you received during the time period covered by your nonresident return.*

As a nonresident, your tax is computed on your income from all sources as if you were a New Jersey resident, and then prorated according to the ratio that your New Jersey income bears to your income from both inside and outside New Jersey. In other words, your final New Jersey income tax liability is based on the percentage of your income which comes from New Jersey.

For more information on completing the nonresident return, refer to the instructions in the nonresident income tax return instruction booklet (Form NJ-1040NR-P).

2. Income. Complete Lines 14–25. Enter the total amount you received in each category of income during your period of residency in New Jersey (dates shown above Line 1).

3. Pensions, Annuities, IRA Withdrawals (Line 19a). Report the taxable amount of pensions, annuities, and IRA withdrawals you received while you were a resident.

If you are receiving a United States military pension or survivor’s benefit payments, the military pension or survivor’s benefit is not taxable for New Jersey gross income tax purposes, regardless of age or disability status. Do not include such payments on Line 19a, Form NJ-1040.

Pension Exclusion (Line 19b). The pension exclusion is only available to taxpayers with gross income of \$100,000 or less (before

subtracting any pension exclusion). If you were a New Jersey resident for only part of the taxable year, you must use the amount of your **gross income from all sources for the entire year** to determine whether or not you qualify for the pension exclusion. If you qualify, prorate the pension exclusion amount by the number of months you were a New Jersey resident by using the formula on page 10. For this calculation 15 days or more is a month. Use the prorated pension exclusion amount on Line 19b.

NOTE: When you and your spouse file a joint return and only one of you is 62 or older or disabled, you may claim the full amount of the prorated exclusion. However, only the income of the spouse who is age 62 or older or disabled may be excluded.

26. Total Income (Add Lines 14, 15a, 16, 17, 18, 19c, 20, 21, 22, 23, 24, and 25)	26			,			,			.		
27. Other Retirement Income Exclusion (See Worksheet and instructions)				,	27			,			.	
28. New Jersey Gross Income (Subtract Line 27 from Line 26) See instructions.	28			,			,			.		

Other Retirement Income Exclusion (Line 27). If you (and/or your spouse if filing jointly) were 62 years of age or older on the last day of the tax year, you may qualify to exclude other income on Line 27. There are two parts to the total exclusion: Part I, the unclaimed portion of your prorated pension exclusion, and Part II, an exclusion for

taxpayers who are unable to receive Social Security or Railroad Retirement benefits. *Do not* complete Worksheet D in the NJ-1040 instruction booklet to calculate the total exclusion amount you are eligible to claim. Instead, calculate your total exclusion as follows:

Part I. Total the earned income (wages, net profits from business, partnership income, and S corporation income) you received for the *entire* year. If your earned income for the entire year was \$3,000 or less and you did not use your entire *prorated* pension exclusion at Line 19b, you may be able to use the unclaimed pension exclusion at Line 27 provided your gross income (combined income if filing jointly) for the entire year before subtracting any pension exclusion was \$100,000 or less.

Part II. If you are unable to receive Social Security or Railroad Retirement benefits, but would have been eligible for benefits had you fully participated in either program, you may also be eligible for an additional exclusion, whether or not you used all of your *prorated* pension exclusion at Line 19b.

NOTE: When you and your spouse file a joint return and only one of you is 62 years of age or older, you may claim the full amount of the prorated exclusion. However, only the income of the spouse who is age 62 or older may be excluded.

PRORATING THE PENSION EXCLUSION:

$$\text{Total Pension Exclusion Amount} \times \frac{\text{Months of NJ Residence}}{12} = \text{Prorated Pension Exclusion Amount}$$

Example

A 65-year-old, single taxpayer who was a New Jersey resident for 4 months of the 2005 tax year prorates the pension exclusion amount like this:

$$\$15,000 \times \frac{4}{12} = \$5,000$$

Other. For information on calculating your partnership and S corporation income, request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, and GIT-9S, *Income From S Corporations*. For more detailed information on pension, annuity, and IRA

withdrawal income and the New Jersey income exclusions, request Tax Topic Bulletins GIT-1, *Pensions and Annuities*, and GIT-2, *IRA Withdrawals*. For information on Roth IRAs, request Technical Bulletin TB-44, *Roth IRAs*.

29a. Exemptions:	From Line 12a _____ × \$1,000 = _____				
29b.	From Line 12b _____ × \$1,500 = _____				
29c. Total Exemption Amount (Add Line 29a and Line 29b)		29c	<input type="text"/>	<input type="text"/>	<input type="text"/>
Part-Year Residents see instructions.					
30. Medical Expenses (See Worksheet and instructions)		30	<input type="text"/>	<input type="text"/>	<input type="text"/>
31. Alimony and Separate Maintenance Payments		31	<input type="text"/>	<input type="text"/>	<input type="text"/>
32. Qualified Conservation Contribution		32	<input type="text"/>	<input type="text"/>	<input type="text"/>
33. Health Enterprise Zone Deduction		33	<input type="text"/>	<input type="text"/>	<input type="text"/>
34. Total Exemptions and Deductions (Add Lines 29c, 30, 31, 32, and 33)		34	<input type="text"/>	<input type="text"/>	<input type="text"/>
35. Taxable Income (Subtract Line 34 from Line 28)		35	<input type="text"/>	<input type="text"/>	<input type="text"/>
If zero or less, MAKE NO ENTRY.					

4. Exemptions. You must prorate the exemption allowance amount based upon the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month. First determine the full value of

your exemptions by completing Lines 29a and 29b, and then use the formula below. Enter the prorated exemption amount on Line 29c.

PRORATING THE EXEMPTION ALLOWANCE:

$$\text{Total Exemption Amount} \times \frac{\text{Months of NJ Residence}}{12} = \text{Prorated Pension Exclusion Amount}$$

5. Deductions.

(a) *Medical Expenses.* You may deduct certain medical expenses for which you were not reimbursed by insurance or any other plan, qualified Archer medical savings account (MSA) contributions, and health insurance costs of the self-employed. Complete Worksheet E in the resident return instruction booklet (Form NJ-1040-P) to calculate your deduction for medical expenses. Include only those expenses which were incurred and paid during the period of time you were a New Jersey resident.

(b) *Alimony and Separate Maintenance Payments.* You may deduct alimony and separate maintenance payments paid for the period of time you were a New Jersey resident. Child support payments are not deductible.

(c) *Qualified Conservation Contribution.* You may deduct the amount of any qualified conservation contribution you made during the period of time you were a New Jersey resident.

(d) *Health Enterprise Zone.* Eligible taxpayers engaged in providing “primary care” medical and/or dental services at a qualified

practice located in or within five miles of a designated Health Enterprise Zone (HEZ) may qualify for a deduction. Information on eligibility requirements and how to calculate the HEZ deduction is available on the Division’s Web site (www.state.nj.us/treasury/taxation/).

NOTE: New Jersey does not allow a deduction for adjustments taken on the Federal return such as employee business expenses or IRA and Keogh Plan contributions.

Schedule 1 – Property Tax Deduction/Credit

Complete both columns of this schedule to find out whether the Property Tax Deduction or the Property Tax Credit is better for you. Do not complete this schedule if you claim a credit for taxes paid to other jurisdictions. Complete Schedule A and Worksheet F.

- 1. **Property Tax.** Enter the property taxes you paid in 2005. Renters enter 18% of rent paid in 2005. **See instructions.** (Complete Schedule 1-A before entering an amount here if you had more than one New Jersey residence during the year or if your principal residence(s) had multiple owners, multiple units, or multiple tenants.)
- 2. **Property Tax Deduction.** Enter the amount from Line 1 or \$10,000, whichever is less. Also enter this amount on Line 4, Column A below. **See instructions.**

1. _____
2. _____

- 3. Taxable Income (Copy from Line 35 of your NJ-1040)
- 4. Property Tax Deduction (Copy from Line 2 of this schedule)
- 5. Taxable Income After Property Tax Deduction (Subtract Line 4 from Line 3)
- 6. Tax you would pay on Line 5 amount (enter amount from Tax Table/Tax Rate Schedules)
- 7. Subtract Line 6, Column A from Line 6, Column B and enter the result here

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

- 8. **Is the Line 7 amount \$50 or more (\$25 if filing status is married, filing separate and you maintain the same residence as your spouse)?**
 - Yes.** You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.

<i>Form NJ-1040</i> Line 36 Line 37 Line 38 Line 46	<i>Enter amount from:</i> Line 4, Column A Line 5, Column A Line 6, Column A Make no entry
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 - No.** You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents**, see instructions before answering "No.") Make the following entries on Form NJ-1040.

<i>Form NJ-1040</i> Line 36 Line 37 Line 38 Line 46	<i>Enter amount from:</i> Make no entry Line 5, Column B Line 6, Column B \$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse). Part-year residents , see instructions.
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6. Property Tax Deduction/Credit. A part-year resident may be eligible to claim a deduction or credit for property taxes, or rent constituting property taxes (18% of rent), due and paid during their period of residency. If you do not claim credit for taxes paid to another jurisdiction, complete Schedule 1 to determine the amount of your property tax deduction and whether you should elect to take the property tax deduction on Line 36, Form NJ-1040 or the property tax credit on Line 46. If you claim credit for

taxes paid to another jurisdiction, complete Schedule A and Worksheet F to make this determination. Enter the amount of property taxes or 18% of rent due and paid during your period of residency on Line 1 of Schedule 1. Complete the balance of the schedule according to the instructions. The minimum benefit for a full-year resident is \$50. You must prorate this minimum benefit based on the number of months you were a New Jersey resident. For this calculation, 15 days or more is a month. You must also prorate if

your filing status is married, filing separate return. After prorating the \$50 minimum benefit, answer the question at Line 8 of Schedule 1 based on this prorated amount rather than the \$50 amount. You will then be able to determine whether you will receive a greater tax benefit by taking the property tax deduction or claiming the prorated credit.

For information on claiming credit for taxes paid to another jurisdiction, request Tax Topic Bulletin GIT-3W, *Credit for Taxes Paid to Other Jurisdictions (Wage Income)*, and GIT-3B, *Credit for Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*. For more detailed information on the property tax deduction/credit, see the instructions contained in the resident return instruction booklet (Form NJ-1040-P).

45. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099-R)	45								
46. Property Tax Credit (See instructions)					46				
47. New Jersey Estimated Tax Payments/Credit from 2004 tax return	47								
48. New Jersey Earned Income Tax Credit (See schedule)					48				
49. EXCESS New Jersey UI/HC/WD Withheld (See instructions) (Enclose Form NJ-2450)					49				
50. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)					50				
51. Total Payments/Credits (Add Lines 45 through 50)	51								

7. Tax Withheld/Property Tax Credit/Estimated Payments.

(a) Enter the amount of New Jersey income tax withheld from wages you earned or other payments you received while you were a New Jersey resident. If your employer combined wages you earned as a resident and wages you earned as a nonresident on the same W-2, and you earned some of those wages from New Jersey while a nonresident, include here only tax withheld during the period you were a resident. Allocate the New Jersey income tax withheld between your part-year resident and part-year nonresident returns. If you did not earn any of the wages on the W-2 while a nonresident, report the total New Jersey tax withheld on the W-2.

(b) If you are claiming a property tax credit rather than a property tax deduction, enter the amount of your prorated credit.

(c) Enter the amount of estimated payments to New Jersey for the period of time you were a resident. If you made estimated payments both as a resident and as a nonresident, enter on your part-year resident return the payment(s) made to meet the tax liability for your period of New Jersey residency. Enter on the part-year nonresident return the payment(s) made to satisfy your tax liability during the part of the year you were a nonresident. Also enter amounts, if any, paid to qualify for an extension of time to file.

EARNED INCOME TAX CREDIT SCHEDULE				
<p>You may be eligible for the New Jersey Earned Income Tax Credit if you claimed the Federal Earned Income Credit for 2005, your gross income on Line 28, Form NJ-1040 is \$20,000 or less, and your filing status for New Jersey is the same as your filing status on your Federal income tax return. Complete this schedule to see if you are eligible. You are not eligible for the New Jersey Earned Income Tax Credit if your filing status is single or married, filing separate return or if you answer "No" to question 1 below. See instructions.</p>				
1. Did you file a 2005 Federal Schedule EIC on which you listed at least one "qualifying child"?	<input type="radio"/> ← Yes <input type="radio"/> ← No			
2. Fill in oval if you had the IRS figure your Federal Earned Income Credit	<input type="radio"/>			
3. Enter the amount of Federal Earned Income Credit from your 2005 Federal Form 1040 or 1040A	<input type="text"/> , <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			
4. Enter 20% of amount on Line 3 here and on Line 48	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			

8. New Jersey Earned Income Tax Credit

If you are eligible and file for a Federal earned income credit, you may also be eligible for a New Jersey earned income tax credit. The credit reduces the amount of tax you owe and may also give you a refund, even if you have no tax liability to New Jersey.

You are allowed a New Jersey earned income tax credit if:

- The filing status on both your Federal return and your New Jersey return is married, filing joint return, head of household, or qualifying widow(er); and
- Your gross income for the entire year from all sources was \$20,000 or less; and
- You have at least one "qualifying child" for purposes of the Federal earned income credit.

Complete the Earned Income Tax Credit Schedule to see if you qualify. The New Jersey earned income tax credit equals 20% of the Federal earned income credit. However,

you must prorate your credit based on the number of months you were a New Jersey resident. For this calculation 15 days or more is a month.

You must file Form NJ-1040 to receive a New Jersey earned income tax credit, even if you are not required to file a return because your gross income is below the minimum income threshold (see *Part-Year Residents* on page 4).

NOTE: If your filing status is single or married, filing separate return, you may not claim a New Jersey earned income tax credit.

If you asked the Internal Revenue Service to calculate your Federal earned income credit, be sure to fill in the oval at Line 2 on the Earned Income Tax Credit Schedule. The IRS will provide information to the Division of Taxation in October 2006. Please allow at least 4–6 weeks for the Division to process the information and issue a check for your New Jersey earned income tax credit.

PRORATING THE NEW JERSEY EARNED INCOME TAX CREDIT:

$$\text{Total New Jersey EITC Amount} \times \frac{\text{Months of NJ Residence}}{12} = \text{Prorated New Jersey EITC Amount}$$

TR-1040
2005

STATE OF NEW JERSEY FAIR TENANT REBATE APPLICATION
(NOT FOR HOMEOWNERS)

<p>1. <input type="radio"/> Single</p> <p>2. <input type="radio"/> Married, filing joint return</p> <p>3. <input type="radio"/> Married, filing separate return</p> <p>4. <input type="radio"/> Head of household</p> <p>5. <input type="radio"/> Qualifying widow(er)</p>	<p>NJ RESIDENCY STATUS</p> <p>6. If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency:</p> <p>From <table border="1" style="display: inline-table; text-align: center;"><tr><td>M</td><td>M</td></tr><tr><td>/</td><td></td></tr><tr><td>D</td><td>D</td></tr><tr><td>/</td><td></td></tr><tr><td>Y</td><td>Y</td></tr></table></p> <p>To <table border="1" style="display: inline-table; text-align: center;"><tr><td>M</td><td>M</td></tr><tr><td>/</td><td></td></tr><tr><td>D</td><td>D</td></tr><tr><td>/</td><td></td></tr><tr><td>Y</td><td>Y</td></tr></table></p>	M	M	/		D	D	/		Y	Y	M	M	/		D	D	/		Y	Y
M	M																				
/																					
D	D																				
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Y	Y																				
M	M																				
/																					
D	D																				
/																					
Y	Y																				

DO NOT FILE FORM TR-1040 IF YOU WERE A HOMEOWNER ON OCTOBER 1, 2005 (See Instructions)

7. On October 1, 2005, I rented and occupied an apartment or other rental dwelling in New Jersey as my principal residence.
 Yes No If "No," STOP. You are not eligible for a rebate as a tenant and should not file this application. See instructions.
8. On December 31, 2005, I (and/or my spouse) was a. Age 65 or older b. Blind or disabled c. Not 65 or blind or disabled
 Fill in only one oval. See instructions.
9. Enter the GROSS INCOME you reported on Line 28, Form NJ-1040 or see instructions

9									
---	--	--	--	--	--	--	--	--	--
10. If your filing status is MARRIED, FILING SEPARATE RETURN and you and your spouse MAINTAIN THE SAME PRINCIPAL RESIDENCE, enter the gross income reported on your spouse's return (Line 28, Form NJ-1040) and fill in oval

10									
----	--	--	--	--	--	--	--	--	--
11. TOTAL GROSS INCOME (Add Line 9 and Line 10)

11									
----	--	--	--	--	--	--	--	--	--

STOP - IF LINE 11 IS MORE THAN \$100,000, YOU ARE NOT ELIGIBLE FOR A FAIR TENANT REBATE.

12. Enter the address of the rental property in **New Jersey** that was your principal residence on **October 1, 2005**.
 Street Address (including apartment number) _____ Municipality _____
13. Enter the total rent you (and your spouse) paid during 2005 for the rental property indicated at Line 12

13									
----	--	--	--	--	--	--	--	--	--
14. Enter the number of days during 2005 that you (and your spouse) occupied the rental property indicated at Line 12. (If you lived there for all of 2005, enter 365)

14			
----	--	--	--
15. Did anyone, other than your spouse, occupy and share rent with you for the rental property indicated at Line 12?
 Yes (If yes, you must complete Lines 15a, b, and c) No
- 15a. Enter the total number of tenants (including yourself) who shared the rent during the period indicated at Line 14. (For this purpose, husband and wife are considered one tenant)

15a			
-----	--	--	--
- 15b. Enter the name(s) and social security number(s) of all other tenants (other than your spouse) who shared the rent.
 Name _____ SS# _____ / _____ / _____
 Name _____ SS# _____ / _____ / _____
- 15c. Enter the total rent paid by all tenants during the period indicated at Line 14

15c									
-----	--	--	--	--	--	--	--	--	--

9. FAIR Tenant Rebate Application. Part-year residents may be eligible for a New Jersey FAIR tenant rebate if they rented and occupied a qualified dwelling in New Jersey that was their principal residence on October 1, 2005, and they meet all the other eligibility requirements. Since eligibility for the FAIR rebate is based, in part, on gross income, your application must show your gross income for the *entire year*. (This figure may be different from the amount of gross income you reported on Line 28 of your part-year resident return.) If you are married and filing separately, and you and your spouse maintain the same principal residence, you must

also list your spouse's income for the *entire year*. Complete the balance of the application according to the instructions. Enter only the rent you paid for the rental property that was your principal residence on October 1, 2005.

NOTE: If you owned and occupied a home in New Jersey that was your principal residence on October 1, 2005, you may be eligible for a FAIR rebate as a homeowner. Applications are expected to be mailed to homeowners at the end of April. There is no FAIR homeowner rebate application in the income tax return booklet.

COMPLETING A PART-YEAR NONRESIDENT RETURN

Important Points:

- Enter the dates you were a New Jersey *resident* above Line 1.
- Report income, withholdings, and payments *for period of New Jersey nonresidency only*.
- When reporting your income, fill out both Column A and Column B completely.
- Prorate exemptions, deductions, and exclusions based on nonresidency period.
- If you also complete a part-year resident return, allocate your income, withholdings, and payments between the part-year resident and part-year nonresident returns as appropriate.

Your Social Security Number	Last Name, First Name and Initial (Joint filers enter first name and initial of each—Enter spouse last name ONLY if different)		Place label on form if all preprinted information is correct. Otherwise, print or type your name and address.	
Spouse's Social Security Number	Home Address (Number and Street, including apartment number or rural route)			
↑ You must enter your SSN(s) above ↑ State of Residency (outside NJ)	City, Town, Post Office	State		Zip Code
NJ RESIDENCY STATUS If you were a New Jersey resident for ANY part of the taxable year, give the period of New Jersey residency. From _____ To _____ <small>MONTH DAY YEAR MONTH DAY YEAR</small>				
Filing Status (Check only ONE box) 1. <input type="checkbox"/> Single 2. <input type="checkbox"/> Married, filing joint return 3. <input type="checkbox"/> Married, filing separate return <hr/> Name and Social Security Number of Spouse 4. <input type="checkbox"/> Head of household 5. <input type="checkbox"/> Qualifying widow(er)		E X E M P T I O N S	6. Regular <input checked="" type="checkbox"/> Yourself <input type="checkbox"/> Spouse <input type="checkbox"/> Domestic Partner 7. Age 65 or Over <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse 8. Blind or Disabled <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse 9. Number of qualified dependent children 10. Number of other dependents 11. Dependents attending colleges 12. Totals (For Line 12a—Add Lines 6, 7, 8, and 11) (For Line 12b—Add Line 9 and Line 10)	6 7 8 9 10 11 12a 12b

1. Residency Status.

(a) Complete the “State of Residency (outside NJ)” box below your social security number(s) at the top of the return. Indicate the place outside New Jersey where you lived for the period of *nonresidency*. If you lived at more than one location, give the most recent.

(b) Show the beginning and ending dates of your *residency in New Jersey* during the tax year.

NOTE: When you file a part-year nonresident return, you are likely to be required to file a part-year resident return, too. (See page 5.) The part-year resident return covers the period of New Jersey residency shown above Line 1, and the part-year nonresident return covers the portion of the year you were *not a resident of New Jersey*. If you were a nonresident for 15 days or more of a month, that month counts as a month of nonresidence. For example, if you were a New Jersey resident from September 27, 2005, to December 31, 2005, you were a nonresident for nine months. See *Exemptions* on page 19.

	(Column A) AMOUNT OF GROSS INCOME (EVERYWHERE)			(Column B) AMOUNT FROM NEW JERSEY SOURCES		
14. Wages, salaries, tips, and other employee compensation	14			14		
15. Interest	15			15		
16. Dividends	16			16		
17. Net profits from business (Attach copy of Federal Schedule C, Form 1040)	17			17		
18. Net gains or income from disposition of property (From Line 56)	18			18		
19. Net gains or income from rents, royalties, patents, and copyrights (From Line 59) ...	19			19		
20. Net gambling winnings	20			20		
21. Pensions, Annuities, and IRA Withdrawals, Less New Jersey Exclusion	21					
22. Distributive Share of Partnership Income	22			22		
23. Net pro rata share of S Corporation Income	23			23		
24. Alimony and separate maintenance payments received	24			24		
25. Other—State Nature and Source	25			25		
26. TOTAL INCOME (Add Lines 14 through 25)	26			26		
27. Other Retirement Income Exclusion (See Worksheet and Instructions)	27			27		
28. Gross Income (Subtract Line 27 from Line 26)	28			28		

2. Income. Complete both Columns A and B, Lines 14–26. Include only income you received for the part of the year you were a nonresident. Report in Column A income from all sources (both inside and outside New Jersey) as if you were a resident; in Column B, show your income from New Jersey sources. Follow the instructions in the nonresident return instruction booklet for completing each line. For every entry in Column A, there should be an entry on the corresponding line in Column B. If none of the income in Column A is from New Jersey sources, enter “0” in Column B. In certain circumstances, the amount in Column B can exceed the amount in Column A.

Pennsylvania residents are not subject to income tax on wages they earn in New Jersey. Therefore, if you are a Pennsylvania resident, you must report all your wages (including wages earned in New Jersey) in Column A, and “0” should be entered in Column B.

This exception applies only to wages. Pennsylvania residents are subject to New Jersey tax on other types of income from

New Jersey sources. For example, winnings from a casino or racetrack located in New Jersey or net profits from a business located in New Jersey must be reported in both Column A and Column B.

3. Pensions, Annuities, IRAs (Line 21).

COLUMN A: The pension exclusion is only available to taxpayers with gross income of \$100,000 or less (before subtracting any pension exclusion). If you were a New Jersey nonresident for only part of the taxable year, you must use the amount of your **gross income from all sources for the entire year** to determine whether or not you qualify for the pension exclusion. If you qualify, calculate the amount of your reportable pensions, annuities, and IRA withdrawals and then subtract the New Jersey pension exclusion. Use only amounts you received while you were a nonresident, and prorate your pension exclusion by the number of months you were a nonresident. For this calculation 15 days or more is a month. See *Completing a Part-Year Resident Return* on page 8 for a description of how to prorate the pension exclusion amount.

NOTE: When you and your spouse file a joint return and only one of you is 62 or older or disabled, you may claim the full amount of the prorated exclusion. However, only the income of the spouse who is age 62 or older or disabled may be excluded.

See page 8 for information on reporting military pensions.

For more information on pension, annuity, and IRA withdrawal income and the New Jersey income exclusions, request Tax Topic Bulletins GIT-1, *Pensions and Annuities*, and GIT-2, *IRA Withdrawals*.

COLUMN B: Pension, annuity, and IRA withdrawal income is not taxable to nonresidents. Therefore, no entry is needed on Line 21 in Column B.

Other Retirement Income Exclusion (Line 27, Columns A and B). If you (and/or your spouse if filing jointly) were 62 years of age or older on the last day of the tax year, you may qualify to exclude other income on Line 27. There are two parts to the total exclusion: Part I, the unclaimed portion of your prorated pension exclusion, and Part II, an exclusion for taxpayers who are unable to receive Social Security or Railroad Retirement benefits. *Do not* complete Worksheet D in the NJ-1040NR instruction booklet to calculate the total exclusion amount you are eligible to claim. Instead, calculate your total exclusion as follows:

Part I. Total the earned income (wages, net profits from business, partnership income, and S corporation income) you received from all sources for the *entire* year. If your earned income for the entire year was \$3,000 or less and you did not use your entire *prorated* pension exclusion at Line 21, you may be able to use the unclaimed pension exclusion at Line 27 provided your gross income (combined income if filing jointly) from all sources for the entire year before subtracting any pension exclusion was \$100,000 or less.

Part II. If you are unable to receive Social Security or Railroad Retirement benefits, but would have been eligible for benefits had you fully participated in either program, you may also be eligible for an additional exclusion, whether or not you used all of your *prorated* pension exclusion at Line 21.

NOTE: When you and your spouse file a joint return and only one of you is 62 years of age or older, you may claim the full amount of the prorated exclusion. However, only the income of the spouse who is age 62 or older may be excluded.

Other. For information on calculating your partnership and S corporation income, request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, and GIT-9S, *Income From S Corporations*.

29a. Exemptions: From Line 12a _____ × \$1,000 = _____			
29b. From Line 12b _____ × \$1,500 = _____			
29c. Total Exemption Amount (Add Lines 29a and 29b) Part-year nonresidents see instructions	29c		
30. Medical Expenses (See Worksheet and Instructions)	30		
31. Alimony and separate maintenance payments	31		
32. Qualified Conservation Contribution	32		
33. Health Enterprise Zone Deduction	33		
34. Total Exemptions and Deductions (Add Lines 29c, 30, 31, 32, and 33)	34		
35. TAXABLE INCOME (Subtract Line 34 from Line 28, Column A)	35		

4. Exemptions. You must prorate the exemption allowance amount based upon the number of months you were a New Jersey nonresident. For this calculation 15 days or more is a month. First determine the full value of your exemptions by completing Lines 29a and 29b.

Once you have calculated your Total Exemption Amount, use the formula below and then enter the prorated exemption amount on Line 29c.

PRORATING THE EXEMPTION ALLOWANCE:		
Total Exemption Amount	× $\frac{\text{Months of NJ Nonresidence}}{12}$	= Prorated Exemption Amount

5. Deductions.
(a) Medical Expenses. You may deduct certain medical expenses for which you were not reimbursed by insurance or any other plan, qualified Archer medical savings account (MSA) contributions, and health insurance costs of the self-employed. Complete Worksheet E in the nonresident return instruction booklet (Form NJ-1040NR-P) to calculate your deduction for medical expenses. Include only those expenses which were incurred and paid during the period of time you were a New Jersey nonresident.

(b) Alimony and Separate Maintenance Payments. You may deduct alimony and separate maintenance payments paid for the period of time you were a New Jersey

nonresident. Child support payments are not deductible.

(c) Qualified Conservation Contribution. You may deduct the amount of any qualified conservation contribution you made during the period of time you were a New Jersey nonresident.

(d) Health Enterprise Zone. Eligible taxpayers engaged in providing “primary care” medical and/or dental services at a qualified practice located in or within five miles of a designated Health Enterprise Zone (HEZ) may qualify for a deduction. Information on eligibility requirements and how to calculate the HEZ deduction is available on the Division’s Web site (www.state.nj.us/treasury/taxation/).

42. Total New Jersey Income Tax Withheld (Attach Form W-2)	42			
43. New Jersey Estimated Tax Payments/Credit from 2004 tax return	43			
44. Tax paid on your behalf by Partnership(s)	44			
45. EXCESS NJ UI/HC/WD Withheld (Enclose Form NJ-2450. See instructions)	45			
46. EXCESS NJ Disability Insurance Withheld (Enclose Form NJ-2450. See instructions)	46			
47. Total Payments/Credits (Add Lines 42 through 46)	ENTER TOTAL →			47

6. Tax Withheld/Estimated Payments.

(a) Enter the amount of New Jersey income tax withheld from wages you earned or other payments you received while you were a New Jersey nonresident. If your employer combined wages you earned as a resident and wages you earned as a nonresident on the same W-2, and you earned some of those wages from New Jersey while a nonresident, include here only tax withheld during the period you were a nonresident. Allocate the New Jersey income tax withheld between your part-year resident and part-year nonresident returns if you earned wages from New Jersey as a resident and as a nonresident.

(b) Enter the amount of estimated payments to New Jersey for the period of time you were a nonresident. If you made estimated payments both as a resident and as a nonresident, enter on your part-year resident return the payment(s) made to meet the tax liability for your period of New Jersey residency. Enter on the part-year nonresident return the payment(s) made to satisfy your tax liability during the part of the year you were a nonresident. Also enter amounts, if any, paid to qualify for an extension of time to file.

PART III	ALLOCATION OF WAGE AND SALARY INCOME EARNED PARTLY INSIDE AND OUTSIDE NEW JERSEY	(See instructions if compensation depends entirely on volume of business transacted or if other basis of allocation is used.)
60. Amount reported on Line 14 in Column A required to be allocated	60	
61. Total days in taxable year	61	
62. Deduct nonworking days (Sundays, Saturdays, holidays, sick leave, vacation, etc.)	62	
63. Total days worked in taxable year (Subtract Line 62 from Line 61)	63	
64. Deduct days worked outside New Jersey	64	
65. Days worked in New Jersey (Subtract Line 64 from Line 63)	65	
66. ALLOCATION FORMULA	$\frac{\text{(Line 65)}}{\text{(Line 63)}} \times \frac{\text{(Enter amount from Line 60)}}{\text{(Salary earned inside N.J.)}} = \text{(Include this amount on Line 14, Col. B)}$	

7. Allocation of Wage and Salary Income Earned Partly Inside and Outside New Jersey. Complete this section only when you have wage/salary income earned partly inside and partly outside New Jersey and you cannot readily determine the amount of wage/

salary income derived from New Jersey. For purposes of completing this section, “total days” on Line 61 means the number of days covered by your part-year return. Complete Lines 60–66 accordingly.

Example A

Part-Year Resident/Part-Year Nonresident

- John Perry, age 35, and Joan Perry, age 32, are married and file a joint Federal return. They have two dependents, their one-year-old son, and Mr. Perry's 67-year-old mother.
- The family moved to New Jersey from New York City on April 1. They rented an apartment at 123 Elm St., Montclair, NJ 07042 from April 1 to December 31 for \$750 a month.
- Husband worked for the same employer in New Jersey all year; wages for the year, \$72,000.
- Wife's wages for part-time job from September to December, \$3,000.
- Couple received \$6,400 in interest on their joint accounts and \$480 in dividends for the year.
- On March 1, they sold 200 shares of jointly held stock in ABC Corp. for \$3,500, purchased the previous year for \$2,800.
- They won \$75 in the New York Lottery on February 3 and \$62 in the New Jersey Lottery on July 29.
- New Jersey income tax withheld: \$1,983 for Mr. Perry and \$52 for Mrs. Perry.
- Four estimated tax payments of \$50 each made to New Jersey on April 15, June 15, September 15, and January 15 of the following year.

NJ-1040NR 2005 STATE OF NEW JERSEY INCOME TAX—NONRESIDENT RETURN

Your Social Security Number 999 34 0722			Last Name, First Name and Initial (Joint filers enter first name and initial of each—Enter spouse last name ONLY if different) Perry, John and Joan			Place label on form if all preprinted information is correct. Otherwise, print or type your name and address.																		
Spouse's Social Security Number 999 01 3664			Home Address (Number and Street, including apartment number or rural route) 123 Elm St.																					
↑ You must enter your SSN(s) above ↑ State of Residency (outside NJ) New York			City, Town, Post Office Montclair		State NJ				Zip Code 07042															
NJ RESIDENCY STATUS			If you were a New Jersey resident for ANY part of the taxable year, give the period of New Jersey residency.			From 04-01-05		To 12-31-05																
Filing Status (Check only ONE box) 1. <input type="checkbox"/> Single 2. <input checked="" type="checkbox"/> Married, filing joint return 3. <input type="checkbox"/> Married, filing separate return Name and Social Security Number of Spouse 4. <input type="checkbox"/> Head of household 5. <input type="checkbox"/> Qualifying widow(er)			EXEMPTIONS			6. Regular <input checked="" type="checkbox"/> Yourself <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Domestic Partner 7. Age 65 or Over <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse 8. Blind or Disabled <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse 9. Number of qualified dependent children 10. Number of other dependents 11. Dependents attending colleges 12. Totals (For Line 12a—Add Lines 6, 7, 8, and 11) (For Line 12b—Add Line 9 and Line 10)			6 2		7		8		9 1		10 1		11		12a 2		12b 2	
						12a		12b																
GUBERNATORIAL ELECTIONS FUND →			Do you wish to designate \$1 of your taxes to this fund? If joint return, does your spouse wish to designate \$1?			Yes <input type="checkbox"/>		No <input type="checkbox"/>		Note: If you check the "Yes" box(es), it will not increase your tax or reduce your refund.														
						(Column A)			(Column B)															
						AMOUNT OF GROSS INCOME (EVERYWHERE)			AMOUNT FROM NEW JERSEY SOURCES															
14. Wages, salaries, tips, and other employee compensation						14 18000 00			14 18000 00															
15. Interest						15 1600 00			15 0															
16. Dividends						16 120 00			16 0															
17. Net profits from business (Attach copy of Federal Schedule C, Form 1040)						17			17															
18. Net gains or income from disposition of property (From Line 56)						18 700 00			18 0															
19. Net gains or income from rents, royalties, patents, and copyrights (From Line 59)						19			19															
20. Net gambling winnings						20 75 00			20 0															
21. Pensions, Annuities and IRA Withdrawals, Less New Jersey Exclusion						21			21															
22. Distributive Share of Partnership Income						22			22															
23. Net pro rata share of S Corporation Income						23			23															
24. Alimony and separate maintenance payments received						24			24															
25. Other—State Nature and Source						25			25															
26. TOTAL INCOME (Add Lines 14 through 25)						26 20495 00			26 18000 00															
27. Other Retirement Income Exclusion (See Worksheet and Instructions)						27			27															
28. Gross Income (Subtract Line 27 from Line 26)						28 20495 00			28 18000 00															
29a. Exemptions: From Line 12a <u>2</u> × \$1,000 = <u>2,000</u>																								
29b. From Line 12b <u>2</u> × \$1,500 = <u>3,000</u>																								
29c. Total Exemption Amount (Add Lines 29a and 29b) Part-year nonresidents see instructions						29c 1250 00																		
30. Medical Expenses (See Worksheet and Instructions)						30			30															
31. Alimony and separate maintenance payments						31			31															
32. Qualified Conservation Contribution						32			32															
33. Health Enterprise Zone Deduction						33			33															
34. Total Exemptions and Deductions (Add Lines 29c, 30, 31, 32, and 33)						34 1250 00			34															
35. TAXABLE INCOME (Subtract Line 34 from Line 28, Column A)						35 19245 00			35															

Part-Year Residents (tax year 2005)

Name(s) as shown on Form NJ-1040NR Perry, John and Joan		Your Social Security Number 999 34 0722	
36. Taxable Income (From Line 35, page 1)	36	19245	00
37. Tax on amount on Line 36 (From Tax Table)	37	269	00
38. Income Percentage $\frac{\text{B. (Line 28)}}{\text{A. (Line 28)}} = \frac{\quad 87.83 \quad}{\quad} \%$			
39. NEW JERSEY TAX (Multiply amount from Line 37 <u>269.00</u> × <u>87.83</u> % from Line 38			
	39	236	00
40. Penalty for Underpayment of Estimated Tax			
Check box <input type="checkbox"/> if Form NJ-2210 is enclosed.			
41. Total Tax and Penalty (add Line 39 and Line 40)			
	41	236	00
42. Total New Jersey Income Tax Withheld (Attach Form W-2)			
	42	496	00
43. New Jersey Estimated Tax Payments/Credit from 2004 tax return			
	43	50	00
44. Tax paid on your behalf by Partnership(s)			
	44		
45. EXCESS NJ UI/HC/WD Withheld (Enclose Form NJ-2450. See Instructions)			
	45		
46. EXCESS NJ Disability Insurance Withheld (Enclose Form NJ-2450. See Instructions)			
	46		
47. Total Payments/Credits (Add Lines 42 through 46)			
	47	546	00
48. If Line 47 is LESS THAN Line 41 enter AMOUNT YOU OWE			
	48		
49. If Line 47 is MORE THAN Line 41 enter OVERPAYMENT			
	49	310	00
50. Deductions from Overpayment on Line 49 which you elect to credit to:			
(A) Your 2006 Tax	50A		
(B) N.J. Endangered Wildlife Fund <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50B		
(C) N.J. Children's Trust Fund <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50C		
(D) N.J. Vietnam Veterans' Memorial Fund <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50D		
(E) N.J. Breast Cancer Research Fund <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50E		
(F) U.S.S. N.J. Educational Museum Fund <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50F		
(G) Designated Contribution <input type="checkbox"/> \$10, <input type="checkbox"/> \$20, <input type="checkbox"/> Other	50G		
	ENTER AMOUNT OF CONTRIBUTION		
51. Total Deductions From Overpayment (Add Lines 50A, B, C, D, E, F and G)			
	51		
52. REFUND (Amount to be sent to you, subtract Line 51 from Line 49)			
	52	310	00

NOTE:
AN ENTRY ON LINE
50A, B, C, D, E, F, OR G
WILL REDUCE YOUR TAX
REFUND

<p>Under penalties of perjury, I declare that I have examined this 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 taxpayer, this declaration is based on all information of which the preparer has any knowledge.</p> <p>→ _____ Date → _____ Spouse's signature (if filing jointly, BOTH must sign.)</p> <p>Your signature</p>	<p>Pay amount on Line 48 in full. Write social security number(s) on check or money order and make payable to:</p> <p>STATE OF NEW JERSEY-TGI Division of Taxation Revenue Processing Center PO Box 244 Trenton, NJ 08646-0244</p> <p>You may also pay by e-check or credit card.</p>
--	---

PART I		NET GAINS OR INCOME FROM DISPOSITION OF PROPERTY		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) Kind of property and description	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Gross sales price		(e) Cost or other basis as adjusted (see instructions) and expense of sale		(f) Gain or (loss) (d less e)		
53. 200 shs. ABC Corp.	2-15-04	3-1-05	3500	00	2800	00	700	00	
54. Capital Gains Distribution							54		
55. Other Net Gains							55		
56. Net Gains (Add Lines 53, 54, and 55) (Enter here and on Line 18) (If Loss, enter ZERO)							56	700 00	
PART II		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 as reported on your Federal Income Tax Return.					
(a) Kind of property	(b) Net Rental Income (Loss)	(c) Net Income From Royalties	(d) Net Income From Patents		(e) Net Income From Copyrights				
57.									
58. Totals	(b)	(c)	(d)	(e)					
59. Net Income (Combine Columns b, c, d, and e) (Enter here and on Line 19) (If Loss, enter ZERO)							59		
PART III		ALLOCATION OF WAGE AND SALARY INCOME EARNED PARTLY INSIDE AND OUTSIDE NEW JERSEY		(See instructions if compensation depends entirely on volume of business transacted or if other basis of allocation is used.)					
60. Amount reported on Line 14 in Column A required to be allocated							60		
61. Total days in taxable year							61		
62. Deduct nonworking days (Sundays, Saturdays, holidays, sick leave, vacation, etc.)							62		
63. Total days worked in taxable year (Subtract Line 62 from Line 61)							63		
64. Deduct days worked outside New Jersey							64		
65. Days worked in New Jersey (Subtract Line 64 from Line 63)							65		
66. ALLOCATION FORMULA	(Line 65)								
	(Line 63)	×	(Enter amount from Line 60)	=	(Salary earned inside N.J.)	(Include this amount on			
						Line 14, Col. B)			
PART IV		ALLOCATION OF BUSINESS INCOME TO NEW JERSEY		(See instructions if other than Formula Basis of allocation is used.)					
BUSINESS ALLOCATION PERCENTAGE (From Schedule NJ-NR-A)									
Enter below, the line number and amount of each item of business income reported in Column A which is required to be allocated and multiply by allocation percentage to determine amount of income from New Jersey sources.									
From Line No. _____	\$ _____	×	_____	% = \$ _____					
From Line No. _____	\$ _____	×	_____	% = \$ _____					
From Line No. _____	\$ _____	×	_____	% = \$ _____					

Part-Year Residents (tax year 2005)

NJ-1040
2005

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number 9 9 9 - 3 4 - 0 7 2 2		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse last name ONLY if different) Perry, John and Joan	
Spouse's Social Security Number 9 9 9 - 0 1 - 3 6 6 4		Home Address (Number and Street, including apartment number or rural route) 123 Elm St.	
County/Municipality Code (See Table) 0 7 1 3		City, Town, Post Office Montclair	State NJ
		Zip Code 07042	
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From 0 4 / 0 1 / 0 5 To 1 2 / 3 1 / 0 5			
(Fill in only one) 1. <input type="radio"/> Single 2. <input checked="" type="radio"/> Married, filing joint return 3. <input type="radio"/> Married, filing separate return Enter Spouse's Social Security Number in the boxes provided above 4. <input type="radio"/> Head of household 5. <input type="radio"/> Qualifying widow(er)		6. Regular <input checked="" type="radio"/> Yourself <input checked="" type="radio"/> Spouse <input type="radio"/> Domestic Partner 7. Age 65 or Over <input type="radio"/> Yourself <input type="radio"/> Spouse 8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse 9. Number of your qualified dependent children 9 1 10. Number of other dependents 10 1 11. Dependents attending colleges 11 12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) 12a 2 12b 2 (For Line 12b - Add Lines 9 and 10)	
13. Dependent's Last Name, First Name, Middle Initial		Dependent's Social Security Number	
a Perry, Jake		a 9 9 9 - 5 2 - 0 2 2 2	
b Perry, Mary		b 9 9 9 - 3 6 - 8 8 1 9	
c		c	
d		d	
13. Dependent's Birth Year a 2 0 0 4 b 1 9 3 8 c d			
GUBERNATORIAL ELECTIONS FUND		Do you wish to designate \$1 of your taxes for this fund? <input type="radio"/> Yes <input type="radio"/> No If joint return, does your spouse wish to designate \$1? <input type="radio"/> Yes <input type="radio"/> No	
Note: If you fill in the "Yes" oval(s), it will not increase your tax or reduce your refund.			

COMPLETE PAGES 2 AND 3 BEFORE SIGNING RETURN BELOW
If you were a tenant on October 1, 2005, also complete Page 4

Under the penalties of perjury, I declare that I have examined this income tax return and FAIR tenant rebate application, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete and that I occupied the rental property for which I am applying for the FAIR tenant rebate as my principal residence on October 1, 2005. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.	Pay amount on Line 52 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation
→ _____ Your Signature Date	
→ _____ Spouse's Signature (if filing jointly, BOTH must sign) Date	

14. Wages, salaries, tips, and other employee compensation (Enclose W-2)	14				5	7		0	0	0		0	0
15a. Taxable interest income (See instructions)	15a					4		8	0	0		0	0
15b. Tax-exempt interest income (See instructions) DO NOT include on Line 15a	15b												
16. Dividends	16							3	6	0		0	0
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040)	17												
18. Net gains or income from disposition of property (Schedule B, Line 4)	18												
19. Pensions, Annuities and IRA Withdrawals													
a. Taxable Amount Received	19a												
b. Less N.J. Pension Exclusion	19b												
c. Subtract Line 19b from Line 19a	19c												
20. Distributive Share of Partnership Income (See instructions)	20												
21. Net pro rata share of S Corporation Income (See instructions)	21												
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3)	22												
23. Net Gambling Winnings	23												
24. Alimony and separate maintenance payments received	24												
25. Other (See instructions)	25												
26. Total Income (Add Lines 14, 15a, 16, 17, 18, 19c, 20, 21, 22, 23, 24, and 25)	26					6	2	1	6	0		0	0
27. Other Retirement Income Exclusion (See Worksheet and instructions)	27												
28. New Jersey Gross Income (Subtract Line 27 from Line 26) See instructions	28					6	2	1	6	0		0	0
29a. Exemptions: From Line 12a $\frac{2}{1,000} \times \$1,000 = 2,000$													
29b. From Line 12b $\frac{2}{1,500} \times \$1,500 = 3,000$													
29c. Total Exemption Amount (Add Line 29a and Line 29b)	29c					3		7	5	0		0	0
Part-Year Residents see instructions.													
30. Medical Expenses (See Worksheet and instructions)	30												
31. Alimony and Separate Maintenance Payments	31												
32. Qualified Conservation Contribution	32												
33. Health Enterprise Zone Deduction	33												
34. Total Exemptions and Deductions (Add Lines 29c, 30, 31, 32, and 33)	34					3		7	5	0		0	0
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY ..	35					5	8	4	1	0		0	0
36. Property Tax Deduction (See instructions)	36												
37. NEW JERSEY TAXABLE INCOME (Subtract Line 36 from Line 35) If zero or less, MAKE NO ENTRY	37					5	8	4	1	0		0	0
38. TAX (From Tax Table)	38						1	0	1	1		0	0
39. Credit For Income Taxes Paid to Other Jurisdictions (See instructions)	39												
40. Balance of Tax (Subtract Line 39 from Line 38)	40						1	0	1	1		0	0

Part-Year Residents (tax year 2005)

NJ-1040 (2005) Page 3

Name(s) as shown on Form NJ-1040

Your Social Security Number

Perry, John and Joan

999 34 0722

41. Balance of Tax (From Line 40, Page 2)	41			1			0	1	1		0	0
42. Use Tax Due on Out-of-State Purchases (See instructions)	42								0		0	0
If no Use Tax, enter ZERO (0.00).												
43. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed	43											
44. Total Tax and Penalty (Add Lines 41, 42, and 43)	44			1			0	1	1		0	0
45. Total New Jersey Income Tax Withheld (Enclose Forms W-2 and 1099-R)	45			1			5	3	9		0	0
46. Property Tax Credit (See instructions)							46	5	0		0	0
47. New Jersey Estimated Tax Payments/Credit from 2004 tax return	47						1	5	0		0	0
48. New Jersey Earned Income Tax Credit (See schedule below)						48						
49. EXCESS New Jersey UI/HC/WD Withheld (See instructions) (Enclose Form NJ-2450)						49						
50. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)						50						
51. Total Payments/Credits (Add Lines 45 through 50)	51			1			7	3	9		0	0
52. If Line 51 is LESS THAN Line 44 enter AMOUNT YOU OWE	52											
Fill in <input type="radio"/> if paying by e-check or credit card.												
If you owe tax, you may make a donation by entering an amount on Lines 55, 56, 57, 58, 59, and/or 60 and adding this to your payment amount.												
53. If Line 51 is MORE THAN Line 44 enter OVERPAYMENT	53						7	2	8		0	0
Deductions from Overpayment on Line 53 which you elect to credit to:												
54. Your 2006 tax	54						2	0	0		0	0
55. N.J. Endangered Wildlife Fund							55					
<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other												
56. N.J. Children's Trust Fund To Prevent Child Abuse							56					
<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other												
57. N.J. Vietnam Veterans' Memorial Fund							57					
<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other												
58. N.J. Breast Cancer Research Fund							58					
<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other												
59. U.S.S. New Jersey Educational Museum Fund							59					
<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other												
60. Other Designated Contribution							60					
See instructions												
61. Total Deductions from Overpayment (Add Lines 54 through 60)	61						2	0	0		0	0
62. REFUND (Amount to be sent to you. Subtract Line 61 from Line 53.)	62						5	2	8		0	0

EARNED INCOME TAX CREDIT SCHEDULE

You may be eligible for the New Jersey Earned Income Tax Credit if you claimed the Federal Earned Income Credit for 2005, your gross income on Line 28, Form NJ-1040 is \$20,000 or less, and your filing status for New Jersey is the same as your filing status on your Federal income tax return. Complete this schedule to see if you are eligible. You are not eligible for the New Jersey Earned Income Tax Credit if your filing status is single or married, filing separate return or if you answer "No" to question 1 below. See instructions.

- Did you file a 2005 Federal Schedule EIC on which you listed at least one "qualifying child"? Yes No
- Fill in oval if you had the IRS figure your Federal Earned Income Credit
- Enter the amount of Federal Earned Income Credit from your 2005 Federal Form 1040 or 1040A ,
- Enter 20% of amount on Line 3 here and on Line 48 above

TR-1040
2005

STATE OF NEW JERSEY
FAIR TENANT REBATE APPLICATION
(NOT FOR HOMEOWNERS)

<p>1. <input type="radio"/> Single</p> <p>2. <input checked="" type="radio"/> Married, filing joint return</p> <p>3. <input type="radio"/> Married, filing separate return</p> <p>4. <input type="radio"/> Head of household</p> <p>5. <input type="radio"/> Qualifying widow(er)</p>	<p>NJ RESIDENCY STATUS</p> <p>6. If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency:</p> <p>From <input type="text" value="0"/><input type="text" value="4"/> / <input type="text" value="0"/><input type="text" value="1"/> / <input type="text" value="0"/><input type="text" value="5"/></p> <p>To <input type="text" value="1"/><input type="text" value="2"/> / <input type="text" value="3"/><input type="text" value="1"/> / <input type="text" value="0"/><input type="text" value="5"/></p>
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DO NOT FILE FORM TR-1040 IF YOU WERE A HOMEOWNER ON OCTOBER 1, 2005 (See instructions)

7. On October 1, 2005, I rented and occupied an apartment or other rental dwelling in New Jersey as my principal residence.
 Yes No If "No," STOP. You are not eligible for a rebate as a tenant and should not file this application. See instructions.

8. On December 31, 2005, I (and/or my spouse) was a. Age 65 or older b. Blind or disabled c. Not 65 or blind or disabled
 Fill in only **one** oval. See instructions.

9. Enter the GROSS INCOME you reported on Line 28, Form NJ-1040 or see instructions , .

10. If your filing status is MARRIED, FILING SEPARATE RETURN and you and your spouse MAINTAIN THE SAME PRINCIPAL RESIDENCE, enter the gross income reported on your spouse's return (Line 28, Form NJ-1040) and fill in oval , .

11. TOTAL GROSS INCOME (Add Line 9 and Line 10) , .

STOP - IF LINE 11 IS MORE THAN \$100,000, YOU ARE NOT ELIGIBLE FOR A FAIR TENANT REBATE.

12. Enter the address of the rental property in New Jersey that was your principal residence on October 1, 2005.
 Street Address (including apartment number) 123 Elm St. Municipality Montclair

13. Enter the total rent you (and your spouse) paid during 2005 for the rental property indicated at Line 12

14. Enter the number of days during 2005 that you (and your spouse) occupied the rental property indicated at Line 12. (If you lived there for all of 2005, enter 365)

15. Did anyone, other than your spouse, occupy and share rent with you for the rental property indicated at Line 12?
 Yes (If yes, you must complete Lines 15a, b, and c) No

15a. Enter the total number of tenants (including yourself) who shared the rent during the period indicated at Line 14. (For this purpose, husband and wife are considered one tenant)

15b. Enter the name(s) and social security number(s) of all other tenants (other than your spouse) who shared the rent.
 Name _____ SS# _____ / _____ / _____
 Name _____ SS# _____ / _____ / _____
 Name _____ SS# _____ / _____ / _____

15c. Enter the total rent paid by all tenants during the period indicated at Line 14

<p>Under the penalties of perjury, I declare that I have examined this income tax return and FAIR tenant rebate application, including accompanying documents, and to the best of my knowledge and belief, it is true, correct, and complete and that I occupied the rental property for which I am applying for the FAIR tenant rebate as my principal residence on October 1, 2005. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.</p> <p>→ _____ Your Signature Date</p> <p>→ _____ Spouse's Signature (if filing jointly, BOTH must sign) Date</p>	<p>If you are ONLY filing a FAIR Tenant Rebate Application, mail your application to: NJ Division of Taxation Revenue Processing Center PO Box 197 Trenton, NJ 08646-0197</p>
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Schedule 1 – Property Tax Deduction/Credit

Complete both columns of this schedule to find out whether the Property Tax Deduction or the Property Tax Credit is better for you. **Do not complete this schedule if you claim a credit for taxes paid to other jurisdictions.** Complete Schedule A and Worksheet F.

1. **Property Tax.** Enter the property taxes you paid in 2005. Renters enter 18% of rent paid in 2005. **See instructions.** (Complete Schedule 1-A before entering an amount here if you had more than one New Jersey residence during the year or if your principal residence(s) had multiple owners, multiple units, or multiple tenants.)
1. 1,215
2. 1,215
2. **Property Tax Deduction.** Enter the amount from Line 1 or \$10,000, whichever is less. Also enter this amount on Line 4, Column A below. **See instructions.**

3. Taxable Income (Copy from Line 35 of your NJ-1040)
4. Property Tax Deduction (Copy from Line 2 of this schedule)
5. Taxable Income After Property Tax Deduction (Subtract Line 4 from Line 3)
6. Tax you would pay on Line 5 amount (From Tax Table or Tax Rate Schedules)
7. Subtract Line 6, Column A from Line 6, Column B and enter the result here

	Column A	Column B
3.	58,410	3. 58,410
4.	1,215	4. - 0 -
5.	57,195	5. 58,410
6.	981	6. 1,011
7.		7. 30

8. **Is the Line 7 amount \$50 or more (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse)?**

Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 36	Line 4, Column A
Line 37	Line 5, Column A
Line 38	Line 6, Column A
Line 46	Make no entry

No. You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents**, see instructions before answering "No.") Make the following entries on Form NJ-1040.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 36	Make no entry
Line 37	Line 5, Column B
Line 38	Line 6, Column B
Line 46	\$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse). Part-year residents , see instructions.