



Income Tax Changes For 2022

Filing Deadline

The filing deadline is Tuesday, April 18, 2023, for calendar year taxpayers – matching the due date for the federal Form 1040.

Exempt Income

Compensation paid to election workers for working on elections and assisting with early voting is exempt from New Jersey Income Tax.

Child Tax Credit

Resident taxpayers with taxable income of \$80,000 or less are eligible for a refundable credit of up to \$500 for each dependent who is under the age of 6 on the last day of the tax year. Taxpayers whose filing status is married filing separately are not eligible for this credit.

If the taxable income is:	The credit per child is:
\$30,000 or less	\$500
Over \$30,000 but not over \$40,000	\$400
Over \$40,000 but not over \$50,000	\$300
Over \$50,000 but not over \$60,000	\$200
Over \$60,000 but not over \$80,000	\$100

College Affordability Deductions

Taxpayers with gross income of \$200,000 or less are eligible to deduct the following:

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

New Charities for Charitable Contribution

Two new funds have been added to the list of organizations that a taxpayer can contribute to on the New Jersey tax return. To donate to the new funds, taxpayers must specify the code number(s) at the “Other Designated Contribution” line(s). The new funds are:

- New Jersey Pediatric Cancer Research Fund (30);
- Special Olympics New Jersey Fund (31).

Property Tax Credit

Resident taxpayers who are 65 or older, blind, or disabled and who are not required to file Form NJ-1040 can file either Form NJ-1040-HW or Form NJ-1040 to claim a Property Tax Credit if they meet the requirements. They can use these forms even if they owned their main home on October 1, 2022.

Credit for Excess UI/WF/SWF; DI; FLI Withheld

For 2022, the maximum employee unemployment insurance/workforce development partnership fund/supplemental workforce fund contribution was \$169.15. The maximum employee disability insurance contribution was \$212.66. The maximum employee family leave insurance contribution was \$212.66. Workers who had two or more employers may have contributed more than the maximum amount(s). To claim credit on the tax return for excess withholding, complete Form NJ-2450.

Credit for Taxes Paid to Other Jurisdictions

Philadelphia's 2022 nonresident wage tax rate was 3.4481% (.034481) from January 1 to June 30, and 3.44% (.0344) from July 1 to December 31.



2022 Property Tax Relief Programs

ANCHOR Program

New Jersey residents who owned or rented their principal residence (main home) in New Jersey may be eligible for an ANCHOR benefit. The home must have been subject to property taxes. Residents must have paid property taxes or rent on the home in the year on which the benefits are based. Both homeowners and renters must also meet certain income limits. The ANCHOR application is not included in the NJ-1040 booklet. Information is available on the Division's website (nj.gov/taxation).

Note: Eligibility requirements, including income limits, and benefits available under this program are subject to change.

Senior Freeze (Property Tax Reimbursement)

The Senior Freeze program reimburses eligible senior citizens or disabled persons for property tax increases. Eligible residents must file a 2022 Senior Freeze application (Form PTR-1 or PTR-2) by October 31, 2023. The 2022 applications are expected to be mailed by late February.

Income Limits. With very few exceptions, all income received during the year, including income that is not required to be reported on Form NJ-1040, must be taken into account to determine eligibility for the Senior Freeze. The limits apply regardless of marital/civil union status. However, if an applicant's status is married/CU couple, the combined income of both spouses/CU partners must be reported.

Note: Eligibility requirements, including income limits, and benefits available under this program are subject to change. Information about the 2022 Senior Freeze will be posted on the Division's website (nj.gov/taxation) as it becomes available.



Reminders

Blue/Black Ink – Use only blue or black ink to complete all tax returns and schedules. Enter all numbers within the boxes.

Social Security Number(s) Must Be Entered on the Income Tax return or the Property Tax Credit/Wounded Warrior Caregivers Credit application. Social Security numbers are not printed on the name and address label.

Foreign Address – If the mailing address on the return is outside the United States, fill in the oval.

Qualifying Widower/Surviving CU Partner – Fill in the oval for the year the taxpayer’s spouse/civil union partner died.

Exemptions (Lines 6–12) – The number of exemption(s) being claimed at each line must be entered in the boxes or the exemption(s) will be disallowed.

Veteran Exemption (Line 9) – To claim this exemption, the taxpayer must be a military veteran who was honorably discharged or released under honorable circumstances from active duty in the Armed Forces by the last day of the tax year.

Exemption for Dependents Attending Colleges (Line 12) – All requirements must be met to claim this exemption, including that the student must be under age 22 on the last day of the tax year, which means the student will not turn 22 until 2023 or later. The full-time student must attend an accredited college or post-secondary institution and spend at least some portion of five calendar months of the tax year at school. The taxpayer must have paid one half or more of the qualified tuition and maintenance costs for the student. The student must be claimed as a dependent on line 10 or 11. However, this exemption cannot be claimed for the taxpayer or the taxpayer’s spouse/civil union partner or domestic partner.

Medical Expenses Deduction – For federal purposes, a taxpayer may be able to deduct amounts paid for health insurance for their child who was under age 27 at the end of 2022. However, for New Jersey purposes, such amounts paid for health insurance can be deducted only if the child was listed as a dependent on the New Jersey tax return.

Sign Form NJ-1040 at the bottom of the page 4 only after the return has been completed.

Do Not Staple, Tape, or Clip – Items accompanying the return such as schedules, W-2s, 1099s, or other forms should be enclosed with the return rather than attached to it in any way.

No Dollar Signs/Dashes – Do not use dollar signs or dashes. When the amount to be reported on any line of Form NJ-1040 is zero or less, make no entry on that line. The exception is the line for Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases. If no Use Tax is due, enter “0.00” on line 51, Form NJ-1040.

Rounding Off to Whole Dollars – Money items can be rounded to whole dollars. Enter zeros after the decimal point for cents for any rounded entry. When rounding, do so for all amounts.

Preprinted Forms – Do not use the preprinted payment voucher or extension application if the taxpayer filed a joint return last year, but this year is filing using only their own Social Security number, or the taxpayer is filing a joint return with a different person. (**Note:** The Social Security number must be entered on the payment voucher and extension application, even if the name and address are preprinted.)

—Complete the payment voucher (Form NJ-1040-V) only if tax is due with the 2022 return, and payment is being made by check or money order. Do not complete the payment voucher if the taxpayer is due a refund and/or credit or if the payment is made electronically by credit card or direct debit from a bank account.

—Review the requirements for receiving an extension before completing the application (Form NJ-630).

Envelopes – Use the envelope in the resident return instruction booklet to mail Form NJ-1040 or Form NJ-1040-HW with related enclosures. Send only one return or Property Tax Credit/Wounded Warrior Caregivers Credit application per envelope. On the envelope flap, you will find two preprinted address labels with different addresses. Choose the label that applies to the situation. Taxpayers filing Form NJ-1040-HW only use the label with PO Box 555.

Required Documentation

—Proof of age or total and permanent disability must be submitted the first time a taxpayer (or spouse/civil union partner) indicates on the Income Tax return, Property Tax Credit/Wounded Warrior Caregivers Credit

application, or Senior Freeze application that the taxpayer (or spouse/civil union partner) is age 65 or older or blind or disabled.

—Documentation must be submitted the first time a taxpayer (or spouse/civil union partner) claims the Veteran Exemption. A list of acceptable documents can be found here:

nj.gov/treasury/taxation/military/vetexemption-documentation.shtml

—Proof in the form of a New Jersey Certificate of Domestic Partnership must be submitted the first time a taxpayer claims an exemption for their domestic partner on the tax return. (The State may ask for additional information.)

—A copy of the caregiver approval letter must be submitted when a taxpayer claims the Wounded Warrior Caregivers Credit.

Amended Returns

—Residents. To amend a New Jersey Resident Income Tax return (paper return or return filed electronically), file Form NJ-1040X for the appropriate year. For example, use a 2022 Form NJ-1040X to amend a resident return (Form NJ-1040) for Tax Year 2022 **only**. Both columns “As Originally Reported” and “Amended” must be fully completed even if the taxpayer is not amending all the line items.

—Nonresidents. To amend a nonresident return (paper return or return filed electronically), use Form NJ-1040NR for the appropriate year and check the box at the top of the return. New Jersey does not have a special form for amending nonresident returns.

—Enclosures. If amending an item of income, deduction, or credit that requires a supporting schedule or form, the taxpayer must enclose the applicable schedule or form when filing Form NJ-1040X or Form NJ-1040NR. If the original resident or nonresident return was filed electronically, all supporting schedules or forms that would have been enclosed if the original return had been filed on paper must be included with the amended return.

Contact Information – To request training or to obtain other assistance, volunteers can email Taxation University at outreach.tax@treas.nj.gov or call (609) 633-6015.