



2023 Volunteer Tax Preparation

New Jersey Division of Taxation
Taxation University
609.633.6015
Outreach.Tax@treas.nj.gov



New Jersey Income Taxes

- 2022 Income Tax Information
 - What's New for 2022
 - Identifying Information
 - Reportable Income
 - Deductions
 - Calculating Tax and Payments
- Property Tax Relief
 - ANCHOR
 - Senior Freeze
- Resources for You



Form NJ-1040

What's New for 2022



New Jersey College Affordability Deductions

Effective Tax Year 2022

- Contributions to NJBEST (529 College Savings Plan)
 - Line 37a
 - Deduct up to \$10,000 of contributions
- NJ CLASS Program
 - Line 37b
 - Deduct up to \$2,500 (principal and interest)
- In-State Tuition Payments
 - Line 37c
 - Deduct up to \$10,000
 - Collectively for taxpayer, spouse and/or dependent(s)



New Jersey College Affordability Deductions

- New Jersey Gross Income Must Be \$200,000 or Less
 - Income limit for all filing statuses
 - If married filing separate the combined deduction cannot exceed the maximum deduction amounts
- Deductions Available to New Jersey Residents and Nonresidents



Child Tax Credit

Effective Tax Year 2022

- Refundable Credit
 - Line 65
- Qualifications:
 - New Jersey resident;
 - New Jersey taxable income of \$80,000 or less; and
 - Claiming a child age 5 or younger as a dependent



Child Tax Credit

- New Jersey Credit Calculation:

New Jersey Taxable Income	The Credit Is
\$30,000 or under	\$500
\$30,001-\$40,000	\$400
\$40,001-\$50,000	\$300
\$50,001-\$60,000	\$200
\$60,001-\$80,000	\$100

New Jersey EITC



+

New Jersey Child & Dependent Care Credit



+

New Jersey Child Tax Credit

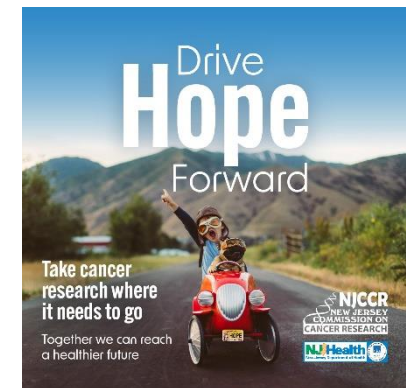




New Charitable Funds for Tax Year 2022

We added to the list of charitable groups to which New Jersey taxpayers can contribute:

- The Special Olympics New Jersey Fund
- New Jersey Pediatric Cancer Research





Form NJ-1040

Identifying Information Page 1



Filing Status

- **Single**
- Married/CU Joint
- Married/CU Separate
- Head of Household
- Qualified Widow(er)



**Unmarried on
December 31st**



Filing Status

- Single
- **Married/CU Joint**
- Married/CU Separate
- Head of Household
- Qualified Widow(er)



**Legally Married
or in a Civil
Union on 12/31**

***Income is
combined.**



Filing Status

- Single
- Married/CU Joint
- **Married/CU Separate**
- Head of Household
- Qualified Widow(er)



**Legally Married
or in a Civil
Union on 12/31**

***Income Reported
Separately**



Filing Status

- Single
- Married/CU Joint
- Married/CU Separate
- **Head of Household**
- Qualified Widow(er)



**Unmarried or
considered
unmarried on
12/31 with a
dependent**



Filing Status

- Single
- Married/CU Joint
- Married/CU Separate
- Head of Household
- **Qualified Widow(er)**



**Surviving
Spouse
w/ Dependent
Child**



Filing Status (Lines 1 – 5)

- Same Filing Status Used on Federal Return

Exceptions:

- Civil Union Couples
 - File New Jersey Income Tax as Married
 - IRS Doesn't Recognize CUs (IRS Pub 501)
- Married Couples Residing in Different States
 - New Jersey Resident Spouse
 - May File Married Separate for New Jersey
 - Even If Married Joint on Federal 1040



Personal Exemptions (Lines 6 - 9)

- **Line 6** Regular Exemptions (\$1,000)
 - Taxpayer,
 - Spouse/CU Partner,
 - Domestic Partner
- **Line 7** Age 65 or Older (\$1,000)
- **Line 8** Blind or Disabled (\$1,000)
- **Line 9** Military Veteran Honorably Discharged from Active Duty (\$6,000) – (\$12,000 if spouse qualifies as well)



Veterans Exemption

- Requires One Time Certification
- Provide Acceptable Documentation
 - Veteran Exemption Submission Form and
 - Form DD-214, or Other Proof of Honorable Discharge
 - Refer to www.nj.gov/taxation
- **Pre-Certify NOW** or Certify After You File
 - Upload to: NJ ONRS www.nj.gov/taxation
 - Mail to: PO Box 440, Trenton, NJ 08646-0440
 - Fax to: 609-633-8427



Dependents (Lines 10 – 12)

- Dependent Children (\$1,500)
 - Must Match the Federal Return
- Other Dependents (\$1,500)
 - Must Match Federal Return
- Dependents Attending College (\$1,000)
 - Already Indicated as a Dependent
 - Full Time College Student (defined by institution)
 - 21 or under as of December 31



Form NJ-1040

Reportable Income
Page 2



Tax-Exempt Income

- Social Security
- Unemployment Compensation
- Debt Cancellation – Form 1099-C
- Military Pensions
- Family Leave Insurance Benefits

Refer to NJ-1040 Instructions: pages 7-8



Wages (Line 15)

- Use W-2 Box 16, '**State Wages**'
- State Wages Often Different from Federal Wages (Box 1)
- Include All W-2s with the NJ-1040



Sample W-2

Sample W-2 (This form is for illustration only and is not reproducible.)

22222	Void <input type="checkbox"/>	a Employee's social security number	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld		
d Control Number			5 Medical savings and tips	6 Medicare tax withheld		
			7 Social security tips	8 Allocated		
e Employee's name and initials (Last name)			9	10 Dependent care benefits		
f Employee's address and ZIP code			11 Non-qualified plans	12a See instructions for box 12		
			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		
g State			14 Other			12c
			UI/WF/SWF - \$169.15 DI - \$212.66 DI P.P. #(Private Plan No.)			12d
NJ	Employer's state ID number 234-567-890/000	16 State wages, tips, etc. 142,900.00	17 State income tax 6,977.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
	FLI P.P. #	(Private Plan No.)	212.66 - FLI			
Form W-2	Wage and Tax Statement		2022		Department of the Treasury—Internal Revenue Service For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.	



Tax-Exempt Interest (Line 16b)

- Obligations of the State of New Jersey and any of its Political Subdivisions
- Direct Federal Obligations
- Earnings on Achieving A Better Life Experience (ABLE) Accounts
 - Exempt – Reported on Line 16b

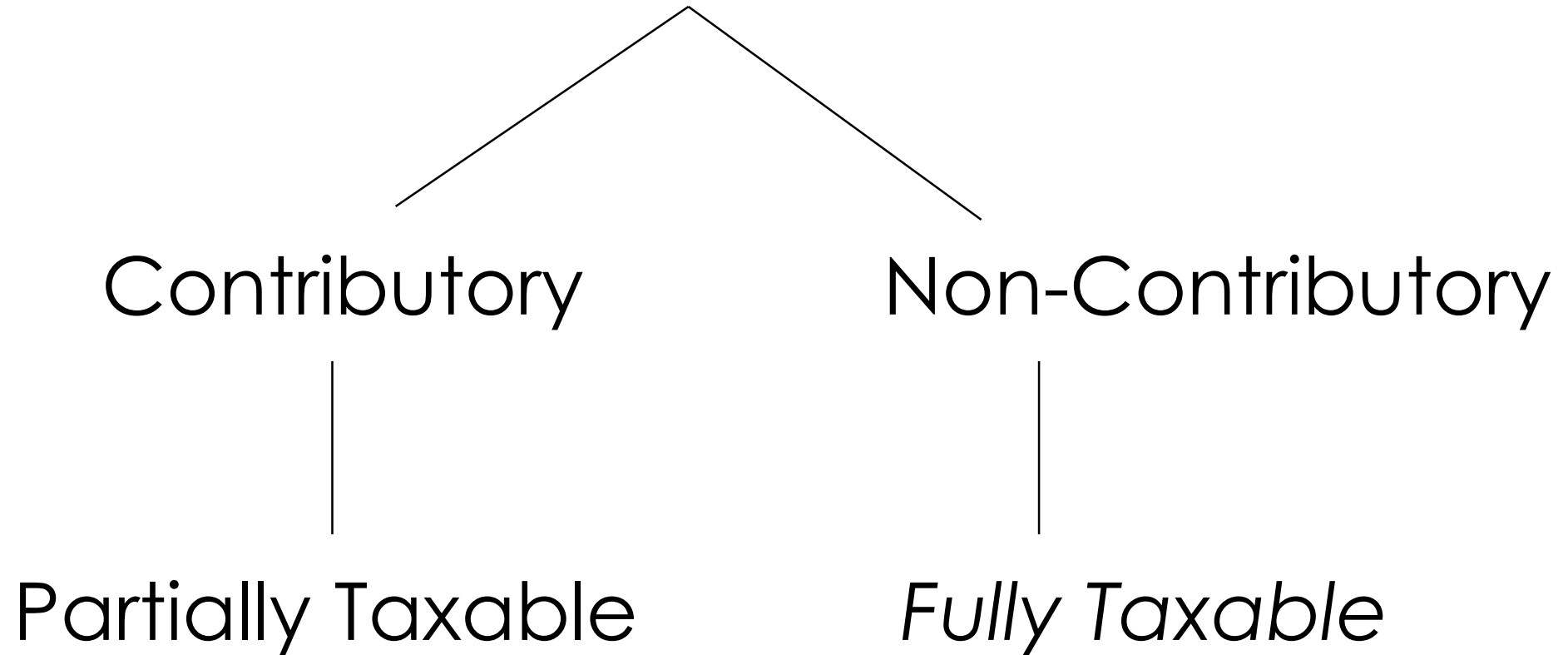


Form NJ-1040

Pension, Annuity & IRA Income
Line 20a



Retirement Plans





New Jersey Pension Treatment

- No 'Simplified' Method
- **WILL** Vary from Federal Treatment
- Two ways of calculating taxable Pension:
 - 3 Year Rule, or
 - General Rule





Three-Year Rule

- Employee Contributions Recovered in 36 Months
- Both Employee and Employer Contributed
- No Taxable Pension Income Until Contributions Are Recovered



General Rule

- Used if Ineligible for Three-Year Rule
- Determines the Excludable (Employee Contributions) & Taxable Portions (Employer Contributions/Earnings) of Your Distribution
- Calculated Percentage Applied to the Annual Distribution

Use General Rule Method Worksheet B



Quick Tips – Pension Calculation

- Your Client Needs Contribution Records
 - No Records = No Excludable Contributions
- Recover Contributions within 36 Months
 - Use Either the Three-Year or General Rule
 - Advise Your Client of Their Options
- Won't Recover Contributions within 36 Months
 - You **MUST** Use General Rule

Worksheet A
Which Pension Method to Use

- 1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment 1. _____
- 2. Your contributions to the plan 2. _____
- 3. Subtract line 2 from line 1 3. _____

- (a) If line 3 is “0” or more, *and* both you and your employer contributed to the plan, you can use the **Three-Year Rule Method**.
- (b) If line 3 is less than “0,” or your employer did not contribute to the plan, you must use the **General Rule Method**.

(Keep for your records)

Worksheet B General Rule Method

- | | | |
|--|----|---|
| 1. Your previously taxed contributions to the plan | 1. | |
| 2. Expected return on contract* | 2. | |
| 3. Percentage excludable (Divide line 1 by line 2) | 3. | % |
| 4. Amount received this year | 4. | |
| 5. Amount excludable (Multiply line 4 by line 3)
Enter here and on Line 20b, Form NJ-1040 | 5. | |
| 6. Taxable amount (Subtract line 5 from line 4.
Enter here and on Line 20a, Form NJ-1040) | 6. | |

*The expected return on the contract is the amount receivable. If life expectancy is a factor under your plan, you must use federal actuarial tables to calculate the expected return. The federal actuarial tables are contained in the Internal Revenue Service's Publication 939, *General Rule for Pensions and Annuities*. Contact the IRS for this publication. If life expectancy is not a factor under your plan, the expected return is found by totaling the amounts to be received.

(Keep for your records)



IRA Withdrawals

- Use Worksheet C, Page 14
- Client Must Have Records
 - IRA Contributions
 - Prior Year Worksheet C
- Roth Distributions
 - Exempt if 'Qualified' – pg. 15



Quick Tips – IRA Calculation

- Your Client Needs Contribution Records
 - No Records = No Excludable Contributions
- Completing Worksheet C for Multiple IRAs
 - Combine On One Worksheet, **or**
 - Complete a Separate Worksheet for Each



IRC Section 401 (K)

- Contributions to the Plan Not Subject to Tax
 - After 1/1/84 Unless They Exceed the Federal Limits
- Contributions before 1/1/84 Were Subject to Tax and Were Included in Employees Income
- Distributions from the Plan May Be Fully Taxable
 - Depending on When Contributions Were Made



403(b) Retirement Plan Tax Treatment

- Use IRA Worksheet C to Calculate Taxable & Excludable Portions of the Distribution
- Post-retirement Employer Contributions
 - Taxable & Reported as Wages
 - Take Post-Retirement Contributions into Account When Calculating Taxable & Excludable Portions



Taxable Retirement Income (Line 20a)

Line 20a Is the Total:

- Taxable Pension (After Reduction by Three-Year or General Rule)
- Taxable Annuities
- Taxable IRAs



Excludable Retirement Income (Line 20b)

Line 20b Is the Total:

- Excludable Pension
- Excludable Annuity
- Excludable IRA

Think Contributions!



Quick Tips – Excludable Pension

Line 20a

+

Line 20b

=

Total Retirement Income Distribution



Net Gambling Winnings (Line 24)

- Include Casino and Track Betting
- Include New Jersey Lottery Winnings
 - **Only** Single Prize Wins **Over** \$10,000
- Include **ALL** Out of State Lottery
- Deduct Losses





Record Keeping – Proof of Losses

Include Any of the Following:

- Daily Log
- Journal
- Canceled Check
- Losing Race Track Pari-Mutuel Tickets
- Losing Lottery Tickets



Quick Tips – Net Gambling Winnings

- Net ALL Wins and Losses in this Category
 - *Example:* \$400 Atlantic City Slot Machine
 - 50 New Jersey Lotto Scratch Off Losses
\$350 Net Winnings
- New Jersey Lottery
 - Not Cumulative
 - Single Prize Wins Only



Pension/Retirement Exclusion (Line 28a)

Effective Tax Year 2021

- New Jersey Total Income Limit Increased:
 - \$100,000 → \$150,000
- Age/Disability Qualification Remains the Same
 - Must be 62 Years Old or Disabled



Pension Exclusion

Maximum Pension Exclusion			
<u>Filing Status:</u>	<u>Income on line 27 (Total Income):</u>		
	\$0 –\$100,000	\$100,001 - \$125,000	\$125,001 - \$150,000
MFJ	\$100,000	50% of line 20a	25% of line 20a
Single/HOH/QW	\$75,000	37.5% of line 20a	18.75% of line 20a
MFS	\$50,000	25% of line 20a	12.5% of line 20a



Other Retirement Income Exclusion (Line 28b)

- If You Did Not Use The Maximum Pension Exclusion, They May be Able to Use the Unclaimed Portion
- Qualification
 - Must be 62 Years Old
- Earned Income Can't Exceed \$3,000:
 - Wages (Line 15)
 - Net Profit from Business (Line 18)
 - Partnership Income (Line 21)
 - S Corp Income (Line 22)



Gross Income (Line 29)

No Filing Requirement if:

- \$10,000 or Less
 - Single
 - Married/CU Filing Separate
- \$20,000 or Less
 - Married/CU Filing Joint
 - Head of Household
 - Qualifying Widower



Form NJ-1040

Deductions



Medical Expenses (Line 31)

- Unreimbursed Medical Expenses
 - Include MSA Contributions (Archer)
- Expenses in Excess of **2%** of Line 29 Gross Income
- Use Worksheet F



Property Tax Deduction

- Maximum Property Tax Deduction \$15,000
 - MFS (same household) - \$7,500





Property Tax Deduction/Credit

- Enter Total Property Taxes Paid (or 18% rent) on Line 40a.
- 2019 ANCHOR Benefit Applicants
 - Property Tax Credit will be included in your ANCHOR benefit payment (**ONLY** If you did not receive it on your 2019 NJ-1040)
- PTR Applicants
 - Use **Base Year** Amount on Line 40a
 - Base Year Amount Trumps ALL Other Amounts



Property Tax Deduction/Credit

- Line 40b- Homeowner/Tenant Status
- Complete Worksheet H
 - Determines the Greater Benefit
- Enter Property Tax Amount on Line 41 or a Flat \$50 Credit on Line 56



Form NJ-1040

Calculating Tax and Payments Page 3



Tax (Line 42)

- Tax Based on Taxable Income
- Tax Tables
- Tax Rate Schedules



Credit for Taxes Paid (Line 44)

- Used for New Jersey Residents with Income Subject to Tax in Another State or Jurisdiction
- Calculate with Schedule NJ-COJ
- Income Must Be Reported on Form NJ-1040



Use Tax (Line 51)

- Out of State, Online, or Mail Order Purchases
 - Purchased for Use in New Jersey:
 - Without Paying Sales Tax **or**
 - Paying Sales Tax at a Lower Rate
 - Would Have Been Subject to Tax if Purchased in New Jersey
- Report the Amount Due on
 - Line 51 **or**
 - Form ST-18 Use Tax Return
 - Worksheet K-Use Tax Calculation

Enter \$0.00 if no Use Tax is Due



New Jersey Income Tax Withheld (Line 55)

- Form W-2, Box 17 (State Income Tax Withheld)
- Form 1099-R (Pensions, etc.)
- Include Only New Jersey Amounts from W-2s & 1099s



Earned Income Tax Credit (Line 58)

- New Jersey EITC Amount is 40% of the Federal EITC
- Age Requirement for Taxpayer with No Qualifying Child
 - **2021** - Expanded to 18 Years and Older





Excess UI/DI/FLI (Line 59-61)

- For People With:
 - Multiple Employers
 - Multiple W-2s
 - With Excess UI/DI/FLI Contributions
- To Claim Credit Complete and Include Form NJ-2450 with NJ-1040



Child and Dependent Care Credit (Line 64)

- Refundable Credit
- New Jersey Taxable Income Limit - \$150,000
- Other Qualifications:
 - Must Receive Federal Credit
 - Working or Actively Looking for Work
 - Paid Expenses for Care of a Child and/or Dependent



Child and Dependent Care Credit

- New Jersey Credit Calculation:

New Jersey Taxable Income	Percentage of Federal Credit
Not over \$30,000	50%
\$30,001-\$60,000	40%
\$60,001-\$90,000	30%
\$90,001-\$120,000	20%
\$120,001-\$150,000	10%

- Credit Based on Percentage of Federal Credit Only



Underpaid or Overpaid

- Compare Total Payments (Line 66) to Total Tax (Line 54)
 - If Line 66 is *Greater* than Line 54, the *Difference* is an **Overpayment**
 - If Line 66 is *Less* than Line 54, the *Difference* is **Due** to the State



Refund Amount (Line 80)

- Overpayments Can Be
 - Refunded
 - Credited to Next Year
 - Donated (All or in Part)





Property Tax Relief

New Jersey Tax Updates



Property Tax Relief Programs

- ANCHOR
 - Homeowners & Tenants
- Property Tax Reimbursement
 - Homeowners/Mobile Home Owners





ANCHOR

Property Tax Benefit Program

(Formerly the Homestead Benefit)



What Is ANCHOR?



ANCHOR Program

The Affordable New Jersey Communities for Homeowners & Renters Program

- 2023 State Budget Modified the Homestead Benefit Program
 - Expanded Eligibility
 - To include renters/tenants and
 - Increase income limits for homeowners
 - Increased the Benefit Amount
- Effective for 2019 Application
 - Homeowner Application (**ANCHOR-H**)
 - Renters/Tenants Application (**ANCHOR-T**)



Homeowners



Homeowner

All New Jersey Residents Who:

- Own a Permanent Home in New Jersey
 - Home/townhome
 - Condo
- **and**
- Pay Property Taxes
 - Directly to municipality
 - Through a mortgage



2019 Qualifications for Homeowners

- Must Be a New Jersey Resident
- Owned/Occupied a Home in New Jersey on October 1, 2019
- 2019 Gross Income Limits
 - \$250,000 or less
 - Benefit amounts vary based on income range
- Ineligible Properties
 - Second home
 - Rental properties
 - Tax-exempt housing



Tax-Exempt Housing

The following properties are **NOT** eligible for ANCHOR Benefits:

- Properties Owned by the State, County, Municipal, or Federal Government
- On-campus Housing at State Colleges and Universities
- Residences Owned by Religious, Charitable, or Nonprofit Organizations
 - Including on-campus housing at private, nonprofit colleges and universities
- Residences on which P.I.L.O.T. (Payments-in-Lieu-of-Tax) Payments are Made to the Municipality
 - These payments are **not** considered property taxes for ANCHOR purposes.

ANCHOR Homeowner Mailer

TO OPEN, FOLD AND TEAR ALONG PERFORATION

STATE OF NEW JERSEY
DIVISION OF TAXATION
P.O. BOX 900
Trenton NJ 08646-0900

OFFICIAL BUSINESS

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE PAID
STATE OF NEW JERSEY

FIRST-CLASS MAIL

TO OPEN, FOLD AND TEAR ALONG PERFORATION

2019 ANCHOR Benefit Filing Information

Please read all instructions carefully.

FILING DEADLINE: January 31, 2023

TO OPEN, FOLD AND TEAR ALONG PERFORATION



2019 ANCHOR Benefit (for Homeowners)



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

PHILIP D. MURPHY
Governor
SHEILA Y. OLIVER
Lt. Governor

ELIZABETH MAHER MUOIO
Treasurer
JOHN J. FIGARA
Acting Director

You May be Eligible for Property Tax Relief

You are eligible for a 2019 Affordable New Jersey Communities for Homeowners and Renters (ANCHOR) benefit as a homeowner if:

- You were a New Jersey resident; and
- You owned and occupied a home in New Jersey that was your principal residence (main home) on October 1, 2019; and
- The 2019 property taxes were paid on that home; and
- Your 2019 New Jersey gross income was not more than \$250,000.

If you **rented** your main home on October 1, 2019, see www.nj.gov/treasury/taxation/anchor/tenant.shtml for eligibility and filing information for tenants.

How to Apply

Identification Number:

PIN:

Apply online or by phone by month xx, 202x.

- **File Online:** www.nj.gov/treasury/taxation/anchor/home.shtml, then *How to File*; or
- **File by Phone:** Toll Free 877-858-2972 in NJ/NY/PA/DE/MD or 609-826-4288 from anywhere.



When you complete your application, you will receive a confirmation number. Make sure to save it. The confirmation number is your only proof that the application was submitted.

Confirmation Number: _____

DO NOT MAIL this page. It is not an application. Keep for your records.

What Information Do You Need?

- Identification Number and PIN from above;
- Social Security number and, if applicable, your spouse's/civil union partner's Social Security number;
- Birth year and, if applicable, your spouse's/civil union partner's birth year;
- New Jersey Gross Income from line 29 of your 2019 NJ-1040. If you are not required to file an NJ-1040, report "0." Do not include Social Security or Railroad Retirement benefits;
- 2019 filing status (if you were not required to file an NJ-1040, use the filing status you would have used if you had filed):
 - 1 – Single
 - 2 – Married/CU couple, filing joint return
 - 3 – Married/CU partner, filing separately: each maintains separate residence
 - 4 – Head of Household
 - 5 – Qualifying widow(er)/surviving CU partner
 - 6 – Married/CU partner, filing separately both maintain same residence

Where Can You Get Additional Assistance?

- **Online:** Visit our website at nj.gov/taxation. Select *Property Tax Relief*, then *ANCHOR*.
- **Call ANCHOR Hotline:** 888-238-1233.
- **Email:** NJ.Anchor@treas.nj.gov.
- **In Person:** Visit our website and select *Contact Us* for office locations.
- **Deaf, hard of hearing, deaf-blind, or those with a speech disability:** visit njrelay.com or call 711.

HOTLINE/EMAIL



How to File - Homeowners

- Must Homeowners File Online or By Phone
 - Online
 - Nj.gov/taxation
 - Phone (*for homeowners only*)
 - 1-877-658-2972
- To File Online Homeowners Must Use the ID/Pin on the Mailer



Need an ID/Pin- Homeowners

- Mailer Wasn't Received?
 - If a 2018 Homestead Benefit Application was Filed
 - Receive Pin Online
 - If a 2018 Homestead Benefit Application was not Filed or you Can't Obtain the Id/Pin
 - Contact ANCHOR hotline: 1-888-238-1233 or
 - Visit one of our Regional Information Center (*Trenton, Fairlawn, Galloway*)



Who Should File a Paper Application?

- First Time Filer for a Property Owned by Multiple Owners
- First Time Filer for a Property with Multiple Units
 - No more than 4 units
 - No more than 1 commercial unit
- Preprinted Application that Has a Name Other Than Their Own (previous owner) or in Addition to Their Own (other than spouse)
- Homeowners that Need to Change the Name on the Application (i.e., misspelling, marriage, death)
- Executors Filing for an Eligible Deceased Homeowner



Your Social Security Number

Name(s) as shown on ANCHOR Application

Page 2

7. Enter the block and lot number of your main home on October 1, 2019:

Block

Grid of 10 boxes for Block number

Lot

Grid of 10 boxes for Lot number

Qualifier

Grid of 4 boxes for Qualifier

8a. Did you share ownership of this property with someone who was not your spouse/CU partner? See instructions. Yes No

8b. If you answered Yes at line 8a, indicate the share (percentage) of the property that you (and your spouse/CU partner) owned. See instructions. %

9a. Did the property for which you are filing this application consist of multiple units? See instructions. Yes No

9b. If you answered Yes at line 9a, indicate the share (percentage) of the property that you (and your spouse/CU partner) used as your main home. See instructions. %

Direct Deposit Information

Do you want your benefit deposited directly into your bank account? Yes No

Type of account Checking Savings

Routing number

Account number

Sign Here section with signature lines, date fields, and routing information. Includes 'Due Date: December 30, 2022' and mailing address for ANCHOR Application.

Division Use 1 2 3 4 5 6

Homeowners filing paper ANCHOR applications will not receive confirmation numbers. Keep copies of your application and supporting documents for your records.

DIRECT DEPOSIT

DEADLINE



Renters/Tenants



Renters/Tenants

All New Jersey Residents Who:

- Pay Rent for Their Home;
- Rent a Living Unit That has a Separate Kitchen and Bath;

and

- The Building is Subject to Local Property Taxes.
- Renters /Tenants Include Owners of Mobile Homes Located in a Mobile Home Park



2019 Qualifications for Renters/Tenants

- Must Be a New Jersey Resident
- Rented/Occupied a Home in New Jersey on October 1, 2019
- 2019 Gross Income Must be \$150,000 or Less
- Property Must Have Its Own Kitchen & Bath
- Property Must Be Subject to Local Property Taxes



Ineligible Renter/Tenant Housing

Renters/Tenants of the following properties are NOT eligible for ANCHOR Benefits:

- Properties Owned by the State, County, Municipal, or Federal Government
- On-campus Housing at State Colleges and Universities
 - Including on-campus housing at private, nonprofit colleges and universities
- Residences Owned by Religious, Charitable, or Nonprofit Organizations

ANCHOR Renter/Tenant Mailer

TO OPEN, FOLD AND TEAR ALONG PERFORATION

STATE OF NEW JERSEY
DIVISION OF TAXATION
P.O. BOX 900
Trenton NJ 08646-0900

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STATE OF NEW JERSEY

FIRST-CLASS MAIL

TO OPEN, FOLD AND TEAR ALONG PERFORATION

2019 ANCHOR Benefit Filing Information

Please read all instructions carefully.

FILING DEADLINE: **January 31, 2023**

TO OPEN, FOLD AND TEAR ALONG PERFORATION



2019 ANCHOR Benefit (for Tenants)



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

ELIZABETH MAHER MUOIO
Treasurer

JOHN J. FICARA
Acting Director

You May be Eligible for Property Tax Relief

You are eligible for a 2019 Affordable New Jersey Communities for Homeowners and Renters (ANCHOR) benefit as a tenant if you meet the following requirements:

- You were a New Jersey resident; and
- You rented (your name was on the lease or rental agreement) and occupied a residence in New Jersey that was your principal residence (main home) on October 1, 2019; and
- If your building had more than one dwelling unit, your unit had its own separate kitchen and bath facilities; and
- Your main home was subject to property taxes. Tenants living in tax-exempt housing do not qualify. See www.nj.gov/treasury/taxation/anchor/tenant.shtml for more information; and
- Your 2019 New Jersey gross income was not more than \$150,000.

If you owned your main home on October 1, 2019, see www.nj.gov/treasury/taxation/anchor/home.shtml for eligibility and filing information for homeowners.

How to Apply

Apply online by month **xx**, 202**x**.

File Online: www.nj.gov/treasury/taxation/anchor/tenant.shtml, then *How to File*

When you complete your application, you will receive a confirmation number. Make sure to save it. The confirmation number is your only proof that the application was submitted.



Confirmation Number: _____

DO NOT MAIL this page. It is not an application. Keep for your records.

What Information Do You Need?

- Social Security number and, if applicable, your spouse's/civil union partner's Social Security number;
- Birth year and, if applicable, your spouse's/civil union partner's birth year;
- New Jersey Gross Income from line 29 of your 2019 NJ-1040. If you are not required to file an NJ-1040, report "0." Do not include Social Security or Railroad Retirement benefits;
- Name(s) of all other tenants who shared the rent (other than your spouse/civil union partner);
- 2019 filing status (if you were not required to file an NJ-1040, use the filing status you would have used if you had filed).

Where Can You Get Additional Assistance?

- Online: Visit our website at nj.gov/taxation. Select *Property Tax Relief*, then *ANCHOR*.
- Call ANCHOR Hotline: 888-238-1233.
- Email: NJ.Anchor@treas.nj.gov.
- In Person: Visit our website and select *Contact Us* for office locations.
- Deaf, hard of hearing, deaf-blind, or those with a speech disability, visit njrelay.com or call 711.

RENT & OCCUPY



How to File - Renters/Tenants

- Most Can File Online:
 - nj.gov/taxation
- Renters/Tenants Don't Receive an ID/Pin
- No Tele-file Option

NAME(S) FOR OTHER TENANT(S)



Your Social Security Number

Name(s) as shown on ANCHOR Application

5c. Enter the name(s) of all other tenants (other than your spouse/CU partner) who shared the rent.

Name _____
Name _____
Name _____
Name _____
Name _____

Direct Deposit Information

Do you want your benefit deposited directly into your bank account? Yes No

Type of account Checking Savings

Routing number

Account number

DIRECT DEPOSIT

DECEASED TAXPAYER

Check the box if filing on behalf of a deceased applicant. (See instructions.)

Under the penalties of perjury, I declare that the information in this application is true and correct and that I owned and occupied the property for which I am applying for the ANCHOR as my main home on October 1, 2019.

SIGN HERE

Your Signature _____ Date _____
 Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) _____ Date _____
 Daytime phone number and/or email address (optional) _____

Due Date: December 30, 2022

Mail your application in the enclosed envelope to:
 ANCHOR Application
 Revenue Processing Center
 PO Box 636
 Trenton, NJ 08646-0636

Division Use 1 2 3 4 5 6

DEADLINE

Tenants filing paper ANCHOR applications will not receive confirmation numbers. Keep copies of your application and supporting documents for your records.



Benefit Details & Amounts





ANCHOR Benefit Details

- Paid as Check or Direct Deposit **NOT** as a Credit
- Benefits to Be Paid No Later Than May 2023
- Filing Deadline – January 31, 2023
- Eligible Residents Can Apply:
 - Online
 - Paper Application
 - By Phone 1-877-658-2972 (*Homeowner Only*)
- Eligible Deceased Residents:
 - Representative Should File on Decedent's Behalf (*see instructions for more details*)



Anchor Benefit Amounts

Homeowners	Renters/Tenants
<ul style="list-style-type: none">• Income \$150K or Less = \$1,500• Income over \$150K but not over \$250K = \$1,000	<ul style="list-style-type: none">• Income of \$150K or less = \$450



2022 Senior Freeze Application

Brought to you by:





2022 Property Tax Reimbursement

- Application Mailing Will Begin Late February 2023
- Income Limits (No Budget Restriction)
 - 2022 Income - \$99,735
 - 2021 Income - \$94,178
- The Division Will Start Mailing Reimbursements- July 15, 2023
- Check the Status of a Reimbursement [Online](#)



Deadline Information

- 2022 PTR Application Deadline
 - **Deadline: October 31, 2023**

Reimbursement Checks

When Did You Send Your Application?	Check Issued on or Before
Before May 1, 2023	July 15, 2023
Between May 1 – June 1, 2023	Sept. 1, 2023
Between June 2 – Sept. 1, 2023	Nov. 1, 2023
Between Sept. 2 – Oct. 31, 2023	Dec. 1, 2023



2022 Eligibility Guidelines

- Age 65/Older or Receiving Social Security Disability
 - By 12/31/21
- Lived in New Jersey for 10 Years
 - Since 12/31/11
- Owned and Lived in the Home for 3 Years
 - Since 12/31/18
- Property Taxes Paid
 - Homeowners: By June 1st of the Following Year
 - Mobile Home Owners: By December 31st



Income Sources

Includes Most Gross Income Categories:

- Social Security
- Unemployment
- Military Pension
- New Jersey Lottery Winnings



PTR Pension Treatment

- New Jersey Taxable Pension (Line 20a, Form NJ-1040)
- Include Tax Exempt Retirement Income
 - US Military Pension
 - Disability Pension
 - Roth IRA



First Time Filers

Form PTR-1

- Establishes 2021 and 2022 Eligibility
- Reserves Base Year at 2021 Level
- Difference of 2022 & 2021 Taxes

Proof of Property Taxes Paid Must be Included with all PTR Applications



2nd Year and Later Year Filers

Form PTR-2

- Comes Pre-Printed with Base Year
- Verifies 2022 Eligibility
- Difference of 2022 and Base Year



Did Your Client Receive the Wrong Form?

- Your Client Receives a PTR-1
 - Should Have Received a PTR-2
- Contact the Division
 - May Need to Provide Additional Documentation
 - In Most Cases They Should Have Received a Notice



Why Would My Client's Base Year Change?

- Income Exceeds the Original Limit
 - Establish New Base Year on Future Application
- Property Taxes Go Below Base Amount
 - Re-establish at the Lower Amount
- Applicant Moves
 - Re-apply After 2 Years in New Home
- Added Assessment Changes



Applicant Moves

- Form PTR-1-C
 - Already Enrolled in the Program
 - Relocates to Another New Jersey Residence
- Establish Eligibility After 2 Years
 - Division Usually Sends Automatically
 - Contact the Division for the Form





Reevaluations & Added Assessments

- Reevaluations – Increased or Decreased Property Tax
 - Use the Reevaluated Amount
 - If Below Base Year, Not Eligible
 - Re-establish Lower Base Year on Future Application
- Added Assessments – Increased Property Value
 - Results in an Adjusted Base Year
 - Added Assessment Included in Base Year and Current Year
 - No Calculation Required, Division Makes Adjustment.



Appealed Assessment

- Results-Increase or Decrease of Property Taxes
 - Applicant Must Notify the Division of the Property Tax Change
- File Amended Property Tax Reimbursement Application
 - Greater Reimbursement: Division Issues Check for the Difference
 - Lesser Reimbursement: Applicant Required to Pay Difference



Prior Year Filings

- Eligible Applicants
 - Forgot to File
 - Missed a Year
 - Didn't Know They Were Eligible
- File Form PTR-1 (s) For Missing Years
 - Include Supporting Documents
- Back Dated Base Year
 - Won't Happen Automatically
 - No Reimbursement Check Issued for Late Applications





Resources For You



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.

NJ-1040 WORKSHEETS

WORKSHEET A, Which Pension Method to Use

WORKSHEET B, General Rule Method

WORKSHEET C, IRA Withdrawals

WORKSHEET D, Other Retirement Income Exclusion

WORKSHEET E, Other Retirement Income Exclusion - Part-Year Residents

WORKSHEET F, Deduction for Medical Expenses

WORKSHEET G, Supplemental Property Tax Deduction/Credit Worksheet for Multiple Residences, Owners, Units, or Tenants

WORKSHEET H, Property Tax Deduction/Credit

WORKSHEET I, Which Property Tax Benefit to Use

WORKSHEET J, Child and Dependent Care Credit

WORKSHEET K, Use Tax Calculation

WORKSHEET L, Shared Responsibility Payment Calculation



Senior Freeze (Property Tax Reimbursement) Income Limits History

Below are the income limits for the Senior Freeze. ALL INCOME received during the year – with very few exceptions – must be taken into account when determining eligibility. This includes income that you do not have to report on your New Jersey Income Tax return such as Social Security benefits, disability benefits, and tax-exempt interest. (For more information, see the [Income Standards](#).)

Tax Year	Status	Income Limits (combined income if married or in a civil union)	
		2020 Less than or equal to	2021 Less than or equal to
2021	Single or Married/CU Couple	\$92,969	\$94,178
2020	Single or Married/CU Couple	\$91,505	\$92,969
2019	Single or Married/CU Couple	\$89,013	\$91,505
2018	Single or Married/CU Couple	\$87,268	\$89,013
2017	Single or Married/CU Couple	\$87,007	\$70,000 Note 1
2016	Single or Married/CU Couple	\$87,007	\$70,000 Note 2
2015	Single or Married/CU Couple	\$85,553	\$70,000 Note 2
2014	Single or Married/CU Couple	\$84,289	\$70,000 Note 3
2013	Single or Married/CU Couple	\$82,880	\$70,000 Note 4



For Your Clients: Taxation Call Center

- Main Hotline
 - 609.292.6400

- Business Hours Extended
 - Monday – Friday
 - 8:00am – 4:30pm



For Your Clients: Taxation Call Center

- Main Customer Service Center
 - Monday-Friday 8:00 a.m. until 4:30 p.m.
 - 609.292.6400
- Senior Freeze Information Line
 - Monday- Friday 8:30 a.m. until 5:30 p.m.
 - 1800.882.6597
- ANCHOR
 - Monday- Friday 8:30 a.m. until 5:30 p.m.
 - 1.888.238.1233



For Our Volunteers:

Contact Us!

Taxation University:

- Outreach.Tax@treas.nj.gov
- 609.633.6015
- Tuesday-Friday 9am – 5:00pm (Excluding State Holidays)

Connect with us #njtaxation



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SEARCH

NJ Division of Taxation



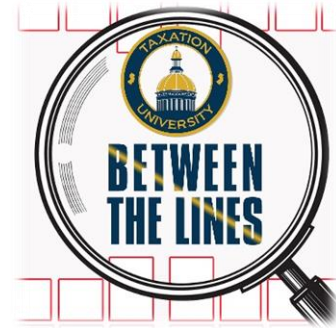
@nj_taxation



#njtaxation



Between the Lines



Taxation University's Public Outreach Series

- Offer Free Online Tax Seminars:
 - Small business workshops;
 - Informational sessions on our income tax, business tax and property relief programs;
 - And more
- All Are Welcomed to Join
- Register Online
 - <https://www.state.nj.us/treasury/taxation/help/publicseminars.shtml>
- 2023 Dates Coming Soon



Thanks for Joining Us!