

Before You Begin...

FAIR Property Tax Relief Program

The FAIR Rebate Program provides rebates for New Jersey homeowners and tenants who meet the eligibility requirements. How you apply for the FAIR rebate is determined by whether you were a homeowner or a tenant **on October 1, 2005**. Homeowners and tenants file different applications.

Tenants use the application in this booklet, Form TR-1040, to apply for the FAIR tenant rebate. Filing instructions, including the eligibility requirements, begin on page 55.

Homeowners *do not use the application in this booklet.* Applications for the FAIR homeowner rebate are expected to be mailed at the end of April, and homeowners will apply either online or by phone. Residents who owned, occupied, and paid property taxes on a home in New Jersey that was their principal residence on October 1, 2005, and whose 2005 gross income was \$200,000 or less are eligible.

Information about the FAIR Rebate Program, as well as the other New Jersey property tax relief programs, is subject to change.

Form NJ-1040 Redesigned

The 2005 New Jersey resident income tax return, Form NJ-1040, has a new look. The signature section of the return now appears on the first page of the form. Be sure to sign your return on page 1 after you complete pages 2 and 3. If you were a tenant on October 1, 2005, and meet the eligibility requirements, also complete page 4 to apply for the FAIR tenant rebate.

New for 2005

Look for the “New for 2005” symbol throughout the instruction booklet. It highlights the changes for this tax year.

Form NJ-1040EZ Discontinued

The NJ-1040EZ resident return form has been discontinued. If you want to file a paper return this year, use Form NJ-1040. But, if you’re looking for an “EZ” way to file, try one of the NJ FastFile options. To see if you qualify, and which method works best for you, just check the chart on the next page.

Consider Filing Electronically

If you normally compute your taxes the old fashioned pen-and-paper way, why not consider taking advantage of one of the State’s electronic filing options this year? Taxpayers who file electronically receive their refunds quicker than those who file paper returns. Plus, you can request that your refund check be deposited directly into your bank account so you’ll have access to your money that much faster! Owe us money? You can pay what you owe by electronic check (e-check) or by credit card. Electronic filing is fast. It’s secure. It’s easy. Best of all, it saves you time, money, and headaches! Check the chart on the next page to see if you qualify to use NJ FastFile and which of the three filing options will work best for you.



It's Fast, Secure & PAPER-FREE!

In most cases, if you were a full-year New Jersey resident in 2005, there's an NJ FastFile option for you. If you were an eligible tenant, you can file your FAIR tenant rebate application using NJ FastFile, too. You'll get your refund faster when you file electronically, and you can choose direct deposit for either your refund or FAIR tenant rebate check, or both.

Check the chart below to see which NJ FastFile option is best for you, then visit www.njfastfile.com or call 1-800-323-4400.

	NJ WebFile	NJ TeleFile	NJ E-File
How To File	By computer... Visit www.njfastfile.com and link to our secure Web site to prepare your return. Nothing to buy and no filing fees.	By phone... Call 1-888-235-FILE (3453) toll-free (You must have filed a 2004 New Jersey resident income tax return.)	By computer... Use tax software you purchase or have a tax preparer file your return. (You must file <i>both</i> Federal and State income tax returns.)
Filing Status	Any filing status	Any filing status except "Married, filing separate return" (must be same as last year)	Any filing status
Personal Exemptions/ Dependents	Self Yes Spouse Yes Domestic Partner Yes Age 65 or Older Yes Blind or Disabled Yes Dependent Children Yes Other Dependents Yes Dependents Attending Colleges Yes	Self Yes Spouse Yes Domestic Partner No Age 65 or Older No Blind or Disabled No Dependent Children Yes Other Dependents Yes Dependents Attending Colleges Yes	Self Yes Spouse Yes Domestic Partner Yes Age 65 or Older Yes Blind or Disabled Yes Dependent Children Yes Other Dependents Yes Dependents Attending Colleges Yes
Income Sources	Limited to: Wages; interest; dividends; net gains or income from disposition of property; capital gains distributions; pensions and annuities; IRA withdrawals; gambling winnings; rents, royalties, patents, and copyrights; other income Note: Number of transactions in each category also limited.	Limited to: Wages; interest (under \$10,000); dividends; and capital gains distributions (under \$10,000, combined)	All sources of income
Income Amount	No limit on amount of income	Limited to: Gross income of \$500,000 or less	No limit on amount of income
Deductions	All deductions you are eligible for	Property tax deduction only	All deductions you are eligible for
Credits	All credits you are eligible to claim (including credit for taxes paid to other jurisdictions)	Limited to property tax credit, NJ earned income tax credit, excess UI/HC/WD or disability insurance contributions	All credits you are eligible to claim (including credit for taxes paid to other jurisdictions)
Payments	All payment types including withholdings, estimated tax payments, credit from last year's return, payment made with extension application	Limited to withholdings on W-2s	All payment types including withholdings, estimated tax payments, credit from last year's return, payment made with extension application
FAIR Rebate	All eligible tenants	All eligible tenants	All eligible tenants

No Longer Available for Filing 2005 Returns

Line 55 - New Jersey — Endangered Wildlife Fund... *Be a Partner in Protection!*

Help keep NJ's wildlife in our future! Over 70 endangered and threatened species struggle for survival in NJ, the most densely populated state in the nation — and each day brings them closer to extinction. You can help stem the tide of species and habitat loss when you “Check Off for Wildlife” this year. Your donation goes directly to conservation, research, restoration, and education — real dollars that help the Endangered & Nongame Species Program protect imperiled animals such as the bald eagle, bobcat, and bog turtle, plus over 400 other nongame species in NJ. **We receive no state-dedicated funding and rely on your support, so this year please “Check Off for Wildlife.” Thank you!**



Please visit www.NJfishandWildlife.com/ensphome.htm for more info. For a free subscription to our newsletter, please write to Conserve Wildlife Foundation, PO Box 400, Trenton, NJ 08625-0400, e-mail: patricia.shapella@dep.state.nj.us, or call: 609-292-3707.

Line 56 - New Jersey — Children's Trust Fund... “A Person Who Cares Can Prevent Child Abuse”

Every year thousands of children in New Jersey are neglected and abused. We rely on your support to ensure that community-based programs throughout New Jersey have the resources to prevent these tragedies and strengthen families. 100% of your contribution goes directly to support child abuse prevention programs such as:

- parent education and support groups
- home visitation for parents of newborns
- respite care for children with special needs and their families

You can help children in New Jersey have a safe and healthy childhood.

For more information and/or a copy of the Children's Trust Fund's booklet of current programs please contact: NJ Children's Trust Fund, PO Box 711, Trenton, NJ 08625-0711 Phone: 609-633-3992 Web: www.njchildrenstrustfund.org

**Line 57 - New Jersey — Vietnam Veterans' Memorial Fund**

“To Remember, To Heal, To Honor”

Your support honors 1,557 New Jerseyans whose names are engraved on the Memorial and helps us teach future generations about this unique time in our nation's history at the Vietnam Era Educational Center.

For more information, write: **New Jersey Vietnam Veterans' Memorial, PO Box 648, Holmdel, NJ 07733** or call: **1-800-648-8387**. Visit us on the Web at <http://www.njvvmf.org>.

**Line 58 - New Jersey — Breast Cancer Research Fund**

YOUR STATE TAX REFUND TODAY HELPS OUR DAUGHTERS TOMORROW

Join the fight against breast cancer and help New Jersey based researchers find a cure now so our daughters won't have to fight this disease in the future. 100% of your donation supports research relating to the prevention, screening, treatment, and cure of breast cancer. For further information, please contact: The New Jersey Commission on Cancer Research, PO Box 360, Trenton, NJ 08625-0360. Web: www.state.nj.us/health

**Line 59 - New Jersey — U.S.S. New Jersey Educational Museum Fund**

Mission: Support the Battleship New Jersey

Help the continued restoration and preservation of our nation's most decorated battleship — the Battleship New Jersey Museum and Memorial along the Camden Waterfront. Your contribution goes directly to restoring this historic vessel and expanding her educational programs for all residents of our state to enjoy and learn.

For more information, visit www.battleshipnewjersey.org or call 1-866-877-6262.

Tours available daily.



Line 60 - New Jersey — Other Designated Contribution**01 - Drug Abuse Education Fund - THE EPIDEMIC OF DRUG ABUSE NEEDS**

YOUR HELP! Your contribution helps New Jersey children receive valuable education from highly trained uniformed law enforcement officers throughout the State in providing drug abuse education programs. Research has shown that the more resistance education children receive, the more likely they will be drug free. The monies raised will help maintain K-6 curricula and increase program activity to Middle School and High School students as well as parents.

For more information contact **D.A.R.E. New Jersey** at 292 Prospect Plains Rd., Cranbury, NJ 08512 or call 1-800 DARENJ1. Web address: <http://www.dare.com>

**Line 60 - New Jersey — Other Designated Contribution****02 - Korean Veterans' Memorial Fund**

"To Honor, To Educate, To Recognize, To Commemorate"

Your support to the Korean War Memorial in Atlantic City honors all the New Jerseyans who served and especially the more than 839 soldiers who died during the *Forgotten War*. We need to inform future generations of the past so that no one ever forgets these men and women. Your contribution will be used to maintain this place of honor.

For more information, write: Korean War Memorial, c/o Dept. of Military and Veterans Affairs, PO Box 340, Eggert Crossing Road, Trenton, NJ 08625-0340. Phone: 609-530-7049. <http://www.state.nj.us/military/korea/>

**Line 60 - New Jersey — Other Designated Contribution****03 - Organ and Tissue Donor Awareness Education Fund**

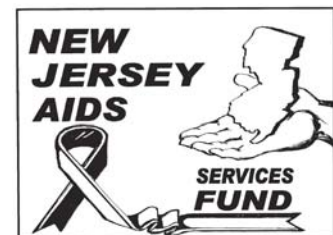
Close to 3,000 critically ill New Jerseyans from all walks of life — parents, children, siblings, grandparents — are waiting for life-saving organ transplants. Each day 17 people on waiting lists will die due to the lack of donated organs. But you have the power to donate life. Just one organ and tissue donor can save up to 8 lives and enhance the health of 75 others. Your support will help raise awareness of this drastic need for organ and tissue donors. Begin today by checking off Line 60 to help fund organ and tissue donor education awareness in New Jersey.

For more information, call 1-800-SHARE-NJ or visit www.sharenj.org

**Line 60 - New Jersey — Other Designated Contribution****04 - NJ-AIDS Services Fund**

New Jersey currently ranks fifth in the country in total cases of HIV infection with an estimated 60,000 people living with HIV/AIDS. Your donation will be used for prevention, education, treatment and research.

For more information write to: New Jersey AIDS Services Fund, c/o Positive Connection, PO Box 1502, Bloomfield, New Jersey 07003, call: 973-485-6596, or visit us online: www.positiveconnection.info

**Line 60 - New Jersey — Other Designated Contribution****05 - Literacy Volunteers of America – New Jersey Fund**

"Literacy is the key to personal freedom."

Since 1979 Literacy Volunteers of New Jersey has been committed to increasing adult literacy in New Jersey. We are the state-level organization that provides training and technical support to a network of community-based literacy programs throughout New Jersey. These local programs focus on recruiting, training, and matching volunteers with adults who need help learning to read and write or to understand and speak English. A corps of 2,500 volunteers provide free one-on-one instruction to 5,000 students each year. Your donation will enable LV-NJ to expand its services so that more adults can acquire the literacy skills needed to reach their full potential as individuals, parents, workers, and citizens. **For more information call Literacy Volunteers of New Jersey at 1-800-848-0048.**



Line 60 - New Jersey — Other Designated Contribution**06 - New Jersey Prostate Cancer Research Fund****DONATE FOR DAD**

Over the past several years, New Jersey has had the dubious distinction of consistently ranking in the top ten states in the nation for prostate cancer incidence and mortality. So join our fight against prostate cancer and help New Jersey cancer researchers find a cure. 100% of your donation supports approved prostate cancer research relating to the prevention, screening, treatment, and cure of prostate cancer. For further information, please contact: The New Jersey Commission on Cancer Research, PO Box 360, Trenton, NJ 08625-0360. Web: www.state.nj.us/health

**2005 NJ TeleFile Instructions****Who Can Use NJ TeleFile**

In general, you qualify to TeleFile if:

- ♦ You lived in New Jersey during all of 2005; and
- ♦ You filed a New Jersey resident return for 2004; and
- ♦ Your filing status is the same as the filing status used on your 2004 return; and
- ♦ Your total income for 2005 was \$500,000 or less; and
- ♦ Your only income besides wages was interest (less than \$10,000) and/or dividends and capital gains distributions (less than \$10,000, combined).

However, you cannot TeleFile if you (or your spouse) were 65 years of age or older or blind or disabled on the last day of the tax year, or if you wish to use the filing status “Married, filing separate return” or to claim an exemption for a domestic partner. If you cannot TeleFile, refer to the chart on page 4 for other filing options.

About NJ TeleFile

NJ TeleFile. The NJ TeleFile system allows New Jersey resident taxpayers to file their State income tax return and FAIR tenant rebate application by phone. The entire tax filing is completed on the telephone with no forms mailed to the Division of Taxation.

How NJ TeleFile Works. You simply complete the TeleFile Worksheet found in this booklet and call the NJ TeleFile system. You will then be prompted to enter the information from your TeleFile Worksheet on your Touch-tone telephone keypad. If at any point during your TeleFile call you need assistance, press the star (*) key located below the number “7” on your telephone keypad. When your return is accepted by NJ TeleFile, you will be assigned a 7-digit Confirmation Number which you will enter on the worksheet as proof that your return was successfully filed through the NJ TeleFile system.

NJ TeleFile Availability. The NJ TeleFile system will be available beginning on Friday, January 13, 2006. You may call the system 24 hours a day, 7 days a week until midnight Monday, April 17, 2006.

NJ TeleFile Refunds or Payments. During your TeleFile call, NJ TeleFile automatically calculates your refund or payment due

amount. If you are due a refund, your refund check will be mailed to you within two weeks of your TeleFile call.

Complete the Direct Deposit information on the TeleFile Worksheet if you want us to directly deposit your refund into your account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union). See instructions for Step 20a on page 14.

If you have a payment due, you may make your payment by check or money order, electronic check (e-check), or credit card (Visa, American Express, MasterCard, or Discover). See “Payment Due” on page 14.

Important Information

Check Your Label. Check the label found in the fold-out insert in the front of this booklet to make sure that your name is correct. If your name is not correct, you cannot TeleFile. Refer to the chart on page 4 for other filing options. If your address is not correct on the label, you may still TeleFile; however, you should answer “Yes” to Step 12 so that you can provide your correct mailing address.

Excess Unemployment Insurance/Health Care Subsidy Fund/Workforce Development Partnership Fund and/or Disability Insurance Contributions. You may be able to take a credit for excess UI/HC/WD and DI contributions withheld by two or more employers. See instructions for Step 7 on page 9.

New Jersey Earned Income Tax Credit. The New Jersey earned income tax credit is a credit for certain taxpayers who work and have earned income. The credit reduces the amount of tax you owe and may give you a refund, even if you have no tax liability to New Jersey. 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. See instructions on page 11.

Gather Your Tax Statements. Before completing the worksheet, gather all of your tax statements (W-2, 1099-INT, and 1099-DIV forms). You will need these statements to complete your TeleFile Worksheet. You may be told during your TeleFile call that you (and your spouse) must submit copies of your W-2 forms before your refund can be issued. **Mail the state copies of your W-2 forms only if instructed to do so by NJ TeleFile.** See “Refund Amount” on page 14 for more information. Also, check to see if

Important Information - continued

these statements are readable. If a statement is not readable, you should obtain a replacement from the issuer of the statement.

Rounding Off to Whole Dollars. When completing the worksheet, you must round all money items to the nearest dollar. Eliminate any amount under 50 cents and increase any amount 50 cents or more to the next higher dollar. For purposes of interest and dividends, if you have to add two or more items to figure the total amount to enter, include cents when adding the items and round off only the total.

Step-by-Step Instructions

Social Security Number(s)

Begin completing your TeleFile Worksheet, NJ-TW, by entering your social security number (and your spouse's, if applicable) in the boxes provided. Your social security number(s) is not printed on your name and address label. Please be sure that **"Your Social Security Number"** matches the social security number listed first on your 2004 New Jersey resident income tax return or 2004 NJ TeleFile Worksheet.

NOTE: If you do not enter your social security number(s) properly, you will not be able to TeleFile.

Date of Birth

Enter the month, day, and year of your birth on your TeleFile Worksheet in the boxes to the right of your social security number. Please be sure that **"Your Date of Birth"** is the date of birth for the person whose social security number is entered first on your TeleFile Worksheet.

List the month as a two-digit number with the digits 01 for January, 02 for February, etc. Place the number for the month in the boxes containing the letter "M," one digit in each box.

List the day of the month as a two-digit number beginning with the digits 01 for the first day of the month and ending with the digits 31 for the last day of the month. Place the number for the day in the boxes containing the letter "D," one digit in each box.

The year should be listed as a four-digit number (e.g., 1950, 1976, etc.). Place the number for the year in the boxes containing the letter "Y," one digit in each box.

NOTE: If you do not enter your date of birth properly, you will not be able to TeleFile. You may also be asked to enter your last name.

Step 1 - Filing Status

Enter the number for your filing status (which must be the same as the filing status you used on your 2004 return) as follows:

- | | |
|----------------------------------|--------------------------|
| 1 - Single | 4 - Head of household |
| 2 - Married, filing joint return | 5 - Qualifying widow(er) |

For more information on filing status, see page 25 in this booklet. **If you are married and file a separate return, you cannot TeleFile.** Refer to the chart on page 4 for other filing options.

NOTE: You may use the filing status "Married, filing joint return" only if you and your spouse were married on the last day of the tax year. If you were a member of a domestic partnership registered in New Jersey, you are not considered "married" and you may not use this filing status.

Step 2 - Qualified Dependent Children

Enter the total number of your qualified dependent children. You may claim an exemption for each dependent child who qualifies as your dependent for Federal income tax purposes. If you do not know whether or not a child qualifies as a dependent for Federal purposes, contact the Internal Revenue Service.

Step 3 - Other Dependents

Enter the total number of your other dependents. You may claim an exemption for each other dependent who qualifies as your dependent for Federal income tax purposes. If you do not know whether or not someone qualifies as a dependent for Federal purposes, contact the Internal Revenue Service.

Dependents' Information

New for 2005 If you claimed an exemption for a dependent child or other dependent, you must provide the social security number and year of birth for each dependent claimed in Steps 2 and 3. You may enter the information for four of your dependents on the TeleFile Worksheet. If you have more than four dependents, list the required information for each additional dependent on a separate sheet of paper that you can refer to when you TeleFile.

The dependents you list must be the same persons who qualify as your dependent children or other dependents for Federal income tax purposes.

Step 4 - Dependents Attending Colleges

You may claim an additional exemption for each dependent for whom you paid one-half or more of the tuition and maintenance costs and who meets the eligibility requirements listed on page 26 in this booklet.

Step 5 - Your Total Number of W-2 Forms

Enter the *total number* of your W-2 forms (not including duplicates). The maximum number of W-2 forms that NJ TeleFile will accept is 25. You may be told during your TeleFile call that you (and your spouse) must submit copies of your W-2 forms before your refund can be issued. See "Refund Amount" on page 14 for more information. **If you (and your spouse) have more than 25 different W-2 forms, you cannot TeleFile** (refer to the chart on page 4 for other filing options). If you do not have any W-2 forms (i.e., you earned no wage income during 2005), skip Step 5.

Step 6 - Your Spouse's Total Number of W-2 Forms

Enter the *total number* of your spouse's W-2 forms (not including duplicates). The maximum number of W-2 forms that NJ TeleFile will accept is 25. You may be told during your TeleFile call that you and your spouse must submit copies of your W-2 forms before your refund can be issued. See "Refund Amount" on page 14 for more information. ***If you and your spouse have more than 25 different W-2 forms, you cannot TeleFile*** (refer to the chart on page 4 for other filing options). If your spouse does not have any W-2 forms (i.e., your spouse earned no wage income during 2005), skip Step 6.

Step 7 - Your W-2 Data

You must enter the Employer's Identification Number, New Jersey Wages, New Jersey Tax Withheld, New Jersey UI/HC/WD, and New Jersey DI amounts from each of your W-2 forms in the boxes provided. You may enter the information from three of your W-2s on the TeleFile Worksheet. If you have more than three W-2s, list the required information for each on a separate sheet of paper that you can refer to when you TeleFile. Use the following instructions and the sample W-2 form on page 28 to assist you in locating the correct figures from your W-2 form(s).

The total amount you received for services performed as an employee is reportable as income to New Jersey. **The amount which represents your New Jersey wages will be found in the "State wages" box of your W-2 form(s).**

If you received any wage income without receiving a W-2 form(s), you must first obtain a W-2 form(s) for that income before you may TeleFile. If you are unable to obtain a W-2 form(s), you cannot TeleFile. Refer to the chart on page 4 for other filing options.

Retirement Plans. Under New Jersey law, contributions to retirement plans (other than 401(k) plans) are included in the State wages figure on the W-2 in the year the wages are earned. This may cause your State wages figure to be higher than your Federal wages figure. **You must always use the State wages figure from your W-2 form(s).**

If you received a reimbursement for Meals and/or Lodging, Employee Business Expenses, or Moving Expenses from your employer(s), you cannot TeleFile. Refer to the chart on page 4 for other filing options.

Excess UI/HC/WD and DI Contributions. You and/or your spouse may be eligible to receive a credit for excess UI/HC/WD or DI contributions if you and/or your spouse had two or more employers and contributed more than the maximum amount(s). For 2005, the maximum employee unemployment insurance/health care subsidy fund/workforce development partnership fund contribution was \$105.83 and the maximum employee disability insurance contribution was \$124.50.

For each W-2, enter the amount of New Jersey unemployment insurance/health care subsidy fund/workforce development part-

nership fund contributions (shown on the W-2 as UI/HC/WD if combined, or UI, HC, and WD if stated separately) in the appropriate boxes. Also enter the amount of New Jersey disability insurance contributions (may be shown on the W-2 as DI) in the appropriate boxes. TeleFile will automatically calculate any credit for excess UI/HC/WD or DI contributions you and/or your spouse may be eligible to receive.

If any single employer withheld more than the maximum for either UI/HC/WD (\$105.83) or disability insurance (\$124.50) contributions, enter only the maximum amount for that category on the TeleFile Worksheet. You must contact the employer who withheld contributions in excess of the legal maximum for a refund.

The amounts of unemployment insurance/health care subsidy fund/workforce development partnership fund and disability insurance contributions withheld must be reported separately on all W-2 statements. The employer's New Jersey taxpayer identification number must also be shown. ***If these amounts are not separately stated on your W-2(s), you cannot claim a credit for excess UI/HC/WD or DI contributions through TeleFile.*** See sample W-2 on page 28. You must file your claim with the Department of Labor and Workforce Development on Form UC-9A, "Employee's Claim for Refund of Excess Contributions."

NOTE: You must enter the correct amounts from your W-2 form(s). Refer to the sample W-2 form on page 28.

Step 8 - Your Spouse's W-2 Data

Enter the information specified on the TeleFile Worksheet for each of your spouse's W-2 forms in the boxes provided. If your spouse has more than three W-2s, list the required information for each on a separate sheet of paper that you can refer to when you TeleFile.

If your spouse received any wage income without receiving a W-2 form(s), your spouse must first obtain a W-2 form(s) for that income before you may TeleFile. If your spouse is unable to obtain a W-2 form(s), you cannot TeleFile. Refer to the chart on page 4 for other filing options.

Step 9a - Taxable Interest Income

New for 2005 Enter the amount of taxable interest income you received during 2005 from your 1099-INT statement(s). If you received interest income from more than one source, add up the interest amounts, including cents, then round the total, and enter it in the boxes provided. ***If your total interest was \$10,000 or more, you cannot TeleFile.*** Refer to the chart on page 4 for other filing options.

Step 9b - Taxable Dividend Income

New for 2005 Enter the amount of taxable dividend income you received during 2005 from your 1099-DIV statement(s). (If you TeleFile your return, you may also report here any capital gains distributions you received from mutual funds or other regulated investment companies.) If you received dividend income from more than one source,

continued

Taxable Dividend Income (Step 9b) - continued

add up the dividend amounts, including cents, then round the total, and enter it in the boxes provided. Any dividends received during the year from investments (e.g., from stocks, mutual funds) or other income-producing activities which do not constitute a trade or business are reportable as New Jersey income. The total amount of taxable dividends received, **regardless of where earned**, must be reported. If you received no dividend income during the year, enter zero. **If your total dividends, including capital gains distributions, were \$10,000 or more, you cannot TeleFile.** Refer to the chart on page 4 for other filing options.

Step 10 - Use Tax Due on Out-of-State Purchases

New for 2005 If you were a New Jersey resident and you purchased items or services that were subject to New Jersey sales tax, you are liable for the use tax at the rate of 6% of the purchase price if sales tax has not been paid. If sales tax has been collected out of State, use tax is only due if the tax was paid at a rate less than 6%, based on the difference. For more information on use tax, see page 44 in this booklet.

If you owe use tax and are remitting it with your tax return enter the amount. If you do not owe use tax, enter zero. **If you owe use tax of \$10,000 or more, you cannot TeleFile.** Refer to the chart on page 4 for other filing options.

Step 11 - Gubernatorial Elections Fund

NJ TeleFile will ask if you wish to designate one dollar (if filing jointly, one dollar for your spouse also) to the Gubernatorial Elections Fund. This fund provides partial public financing to qualified candidates for the office of Governor of New Jersey. For more information contact the New Jersey Election Law Enforcement Commission at 609-292-8700 or write to PO Box 185, Trenton, New Jersey 08625-0185.

Lists of contributors to gubernatorial candidates and copies of reports filed by gubernatorial candidates may be viewed on the Election Law Enforcement Commission Web site at: www.elec.state.nj.us.

Step 12 - Have You Moved?

Check the "Yes" box if you moved since filing your 2004 New Jersey income tax return. Also, if the address on your label is incorrect, you should check "Yes" here.

If you check "Yes" here, you will be asked to provide your new (or correct) address during your TeleFile call. You must provide your current mailing address to receive your refund check.

Step 13 - Property Tax Deduction/Credit and FAIR Tenant Rebate Application

Check "Yes" if you wish to apply for a property tax deduction/credit and/or a New Jersey FAIR tenant rebate. For more infor-

mation on the eligibility requirements for the property tax deduction/credit and FAIR tenant rebate, see pages 39 and 55 in this booklet.

Eligible tenants apply for both the property tax deduction/credit and the FAIR tenant rebate when they file their income tax returns, but eligible homeowners apply only for the property tax deduction/credit. Homeowners apply for the FAIR rebate using a separate application that is expected to be mailed at the end of April.

If you check "Yes," complete Steps 14 through 17, and if applicable, Steps 18a – 18d. If you check "No," go to Step 19a.

Step 14 - Residency Status

Enter the number that reflects your residency status during 2005:

- 1 - Homeowner
- 2 - Tenant
- 3 - Homeowner and Tenant

After you enter your residency status, NJ TeleFile will ask you if you meet any of the following conditions: **(1) Homeowners:** Did you share ownership of a principal residence during the year with anyone other than your spouse? Did your principal residence consist of multiple units? **(2) Tenants:** Did anyone, other than your spouse, occupy and share rent with you for an apartment or other rental dwelling during the year? These questions do not appear on your TeleFile Worksheet.

Step 15a - Property Taxes Paid for the Year

If you entered "1" or "3" at Step 14, you must enter the amount of property taxes paid during 2005 on your principal residence. If you shared ownership of your principal residence, enter the total amount of property taxes paid by all owners. Round the amount you enter here to the nearest dollar. If you entered "2" at Step 14, skip this step and go to Step 16a.

Step 15b - Multiple Owners

If you indicated at Step 14 that you shared ownership of your principal residence with someone other than your spouse, enter the number of owners, including yourself. For this purpose you and your spouse are considered one owner.

Step 15c - Multiple Units

If you indicated at Step 14 that your principal residence consisted of multiple units, enter the total number of units.

Step 16a - Rent Paid for the Year

If you entered "2" or "3" at Step 14, you must enter the amount of rent paid during 2005 on your principal residence. If you shared rent with someone other than your spouse, enter the total amount of rent paid by all tenants. Rent is the amount paid to your landlord for the right to occupy your residence, not including any security deposit, or charges for late rent payments. Report only the actual amount paid out of pocket. Do not include

Rent Paid for the Year (Step 16a) - continued

any amount paid under the Federal Housing Choice Voucher (Section 8) Program. Round the amount you enter here to the nearest dollar. If you entered "1" at Step 14, skip this step and go to Step 19a.

Step 16b - Multiple Tenants

If you indicated at Step 14 that you shared rent with someone other than your spouse, enter the number of tenants who shared the rent, including yourself. For this purpose you and your spouse are considered one tenant.

Step 17 - Tenant on October 1, 2005

If you rented and occupied an apartment or other rental dwelling in New Jersey as your principal residence on October 1, 2005, check "Yes." If you check "No," go to Step 19a. During your TeleFile call, this step will be skipped if your gross income is over \$100,000.

If you check "Yes," NJ TeleFile will ask you if anyone, other than your spouse, occupied and shared rent with you for this residence. This question does not appear on your TeleFile Worksheet.

Step 18a - Tenancy Period for October 1 Residence

If the rental dwelling you occupied on October 1, 2005, was your principal residence for the entire year, check "Yes" and go to Step 19a. If you check "No," continue with Step 18b.

Step 18b - Days in October 1 Residence

Enter the number of days during 2005 that you occupied the rental property where you lived October 1, 2005.

Step 18c - Number of Tenants

If you indicated at Step 17 that you shared rent with someone (other than your spouse) for the rental property you occupied October 1, 2005, enter the number of tenants who shared the rent, including yourself. For this purpose you and your spouse are considered one tenant.

Step 18d - Rent Paid on October 1 Residence

Enter the total amount of rent paid during the year on the home where you lived October 1, 2005. If you shared rent with someone (other than your spouse), enter the total amount of rent paid by all tenants. Rent is the amount paid to your landlord for the right to occupy your residence, not including any security deposit, or charges for late rent payments. Report only the actual amount paid out of pocket. Do not include any amount paid under the Federal Housing Choice Voucher (Section 8) Program. Round the amount you enter here to the nearest dollar.

New Jersey Earned Income Tax Credit (Steps 19a - 19c)

In order to receive a New Jersey earned income tax credit, you must file a New Jersey resident income tax return even if you are not required to file because your gross income is below the minimum income filing threshold (see page 16).

You are allowed a credit in the amount of 20% of your Federal earned income 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 New Jersey gross income is \$20,000 or less; and
- ◆ You have at least one "qualifying child" for purposes of the Federal earned income credit.

NOTE: If your filing status is single, you may not claim a New Jersey earned income tax credit and TeleFile will skip Steps 19a-19c.

Step 19a - Qualifying Child

If you filed a 2005 Federal Schedule EIC on which you listed at least one "qualifying child," check the "Yes" box. **However, if the "qualifying child(ren)" you listed on your Federal Schedule EIC is not claimed as your dependent for New Jersey purposes, you cannot TeleFile.** Refer to the chart on page 4 for other filing options.

Check "No" if you did not file a 2005 Federal Schedule EIC or if you did not have a qualifying child. You are not eligible for a New Jersey earned income tax credit.

Step 19b - Federal Earned Income Credit Calculation

If you asked the Internal Revenue Service to calculate your Federal earned income credit, check the "Yes" box. The IRS will provide information regarding Federal earned income credit recipients 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.

If you know the amount of your Federal earned income credit, check the "No" box.

Step 19c - Federal Earned Income Credit Amount

If you answered "No" at Step 19b, enter the amount of your Federal earned income credit from your 2005 Federal Form 1040 or Form 1040A. TeleFile will automatically calculate your New Jersey earned income tax credit.

2005 NJ TELEFILE

Your Social Security Number

Your Date of Birth

Spouse's Social Security Number

Step 1 – Your filing status number (see instr. pg. 8)

Step 2 – Number of qualified dependent children (Enter Information)

Step 3 – Number of other dependents (Enter Information)

Step 4 – Number of dependents attending colleges

Step 5 – Enter your total number of W-2 forms

Step 6 – Enter spouse's total number of W-2 forms

Dependents – Enter information for each dependent claimed in Steps 2 and 3. If you have more than four dependents, use a separate sheet of paper (see instructions, page 8).

Social Security Number	Birth Year
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

Step 7 – Your W-2 Data - Enter your W-2 information in the appropriate boxes below. If you have more than three W-2s, use a separate sheet of paper. (Round all amounts to the nearest dollar. Do not include cents.)

	Employer ID Number	New Jersey Wages	NJ Tax Withheld	NJ UI/HC/WD	NJ Disability
1st W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>
2nd W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>
3rd W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>

Step 8 – Spouse's W-2 Data - Enter spouse's W-2 information in the appropriate boxes below. If your spouse has more than three W-2s, use a separate sheet of paper. (Round all amounts to the nearest dollar. Do not include cents.)

	Employer ID Number	New Jersey Wages	NJ Tax Withheld	NJ UI/HC/WD	NJ Disability
1st W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>
2nd W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>
3rd W-2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/>

Step 9a – Taxable Interest Income. (Round all amounts to the nearest dollar.) \$,

Step 9b – Taxable Dividend Income. (Round all amounts to the nearest dollar.) \$,

Step 10 – Use Tax Due on Out-of-State Purchases. (Round all amounts to the nearest dollar.) \$,

Step 11 – Gubernatorial Elections Fund: Marking "Yes" will not increase your tax liability or reduce your refund.

Do you wish to designate \$1 of your taxes for this fund? Yes No

If joint return, does your spouse wish to designate \$1? Yes No

Step 12 – Have you moved since filing your 2004 NJ tax return? Yes No

Step 13 – Are you applying for a property tax deduction/credit and/or a FAIR tenant rebate? (If "No," go to Step 19a.) Yes No

Step 14 – Enter the number that reflects your residency status during 2005 (see instructions page 10)

Bank Information for Direct Deposit and E-Check Payment (Steps 20a - 20d)

Direct Deposit. Complete Steps 20a through 20d on the TeleFile Worksheet if you want us to directly deposit your refund and/or FAIR tenant rebate into your account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union). You can choose direct deposit for your FAIR tenant rebate even if you owe tax.

Electronic Check (e-check). Complete Steps 20b through 20d on the TeleFile Worksheet if you want to pay your balance due by e-check. For more information on e-check, see "Payment Due" below.

Step 20a - Direct Deposit of Refund/Rebate

Enter the number that reflects your preference for the direct deposit option as follows:

- 1 - Enter "1" if you would like the Division to directly deposit only your refund check (including any New Jersey earned income tax credit which you may be eligible to receive).
- 2 - Enter "2" if you would like the Division to directly deposit only your FAIR tenant rebate check.
- 3 - Enter "3" if you would like the Division to directly deposit both your refund check (including any New Jersey earned income tax credit which you may be eligible to receive) and your FAIR tenant rebate check.
- 4 - Enter "4" if you do not want to use the direct deposit option.

NOTE:

- ◆ The State is not responsible if a financial institution refuses a direct deposit. Check with your financial institution to make sure your direct deposit will be accepted.
- ◆ Some financial institutions will not allow a joint refund to be deposited into an individual account.

Step 20b - Bank Routing Number

Enter your bank routing number. (See sample check on page 20.) The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Check with your financial institution to get the correct routing number.

Step 20c - Type of Account

Enter "1" if your check(s) will be directly deposited into, or your payment will be electronically withdrawn from, a checking account. Enter "2" if the account is a savings account.

Step 20d - Account Number

Enter your account number. (See sample check on page 20.) The number can be up to 17 characters (**numbers only**). Omit hyphens, spaces, special symbols, and letters. Enter the number from left to right and leave any unused boxes blank. Do not include the check number.

TeleFile Calculations

NJ TeleFile will calculate your New Jersey gross income, taxable income, property tax deduction/credit (if any), New Jersey tax liability for 2005 (including use tax, if any), excess UI/HC/WD and DI contributions (if any), and New Jersey earned income tax credit (if any). These amounts will be stated during your TeleFile call.

Refund Amount

NJ TeleFile will calculate your refund amount which will include any property tax deduction/credit, excess UI/HC/WD and DI contributions, and New Jersey earned income tax credit you may be eligible to receive. This amount will be stated during your TeleFile call.

You may be told during your TeleFile call that you must submit copies of your W-2 forms before your refund can be issued. **If you are required to send in your W-2s, your refund will not be issued until your documentation is received.** Mail the state copies of your W-2 forms *only when required* to: State of New Jersey, Division of Taxation, PO Box 266, Trenton, NJ 08695-0266, Attention: W/H Review.

Payment Due

NJ TeleFile will calculate your payment due (if any). This amount will be stated during your TeleFile call. If you have a payment due, you may make your payment by check or money order, electronic check (e-check), or credit card. You are not required to submit your payment on the same date as your TeleFile call, however, your payment must be made (postmarked) by April 17, 2006, to avoid penalty and interest charges.

Check or Money Order. You will find a payment voucher (Form NJ-1040-V) at the front of this booklet. Your payment and voucher should be submitted in the large envelope provided. Use the preprinted address label on the flap of the large envelope for "Returns Indicating Tax Due" (PO Box 111).

Make check or money order payable to **State of New Jersey – TGI**. Write your social security number on the check or money order. Use social security numbers of both husband and wife for a joint return.

Electronic Check (e-check). You may be able to pay your 2005 New Jersey income taxes by e-check. When making a payment by e-check, you will need your bank's routing number and your account number. (See sample check on page 20.) If you wish to make an e-check payment during your TeleFile call, complete Steps 20b through 20d before making your call.

If you did not choose to pay by e-check during your TeleFile call, you can still pay by e-check on the Division's Web site (www.state.nj.us/treasury/taxation/). You will need your social security number and date of birth. Be sure the social security number and date of birth you enter match "Your Social Security Number" and "Your Date of Birth" from your TeleFile Worksheet. Do not send in the payment voucher if you pay your taxes by e-check.

continued

Payment Due - continued

NOTE: If you do not enter your social security number and date of birth properly, you will not be able to pay by e-check.

Credit Card. You may pay your 2005 New Jersey income taxes or make a payment of estimated tax for 2006 by credit card. Pay by phone (1-800-2PAYTAX, toll-free) or online (www.state.nj.us/treasury/taxation/) and use a Visa, American Express, MasterCard, or Discover credit card. You may be asked to enter a jurisdiction code to make your payment. The code for New Jersey is 4000. Do not send in the payment voucher if you pay your taxes by credit card.

There is a convenience fee of 2.5% paid directly to Official Payments Corporation based on the amount of your tax payment. (See sample convenience fees on page 21.)

Contributions

Whether you have an overpayment or a balance due, you may make a donation to any of the following funds:

- ◆ Endangered Wildlife Fund
- ◆ Children's Trust Fund
- ◆ Vietnam Veterans' Memorial Fund
- ◆ Breast Cancer Research Fund, or
- ◆ *U.S.S. New Jersey* Educational Museum Fund

You may also make a donation to one of the following funds at the Other Designated Contribution line on your TeleFile Worksheet:

- ◆ Drug Abuse Education Fund (01); or
- ◆ Korean Veterans' Memorial Fund (02); or
- ◆ Organ and Tissue Donor Awareness Education Fund (03); or
- ◆ NJ-AIDS Services Fund (04); or
- ◆ Literacy Volunteers of America – New Jersey Fund (05); or
- ◆ New Jersey Prostate Cancer Research Fund (06).

The amount you donate will reduce your refund or increase your balance due. See page 5 in this booklet for more information on the charitable funds.

Step 21 - Charitable Contributions

Enter the amount of your contribution in the appropriate box for each charitable fund. To contribute to one of the funds at the "Other Designated Contribution" line, enter the code number listed above (01, 02, 03, 04, 05, or 06) for the fund of your choice and the amount of your donation.

Signature

New Jersey law requires that all income tax returns be signed before they are submitted. To "sign" your return during your TeleFile call you will listen to the statement that follows and then press "1" if you agree. (If you are married, filing a joint return, pressing "1" indicates that both you and your spouse agree.)

"Under the penalties of perjury, I declare that I have examined this tax return and FAIR tenant rebate application and to the best of my knowledge and belief, all the information I have provided during this phone call 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 the taxpayer, this declaration is based on all information of which the preparer has any knowledge." NJ TeleFile will accept your return **only** if you (and your spouse, if applicable) have agreed to this statement by pressing "1."

DO NOT HANG UP! Your return is not filed until you receive a Confirmation Number.

Confirmation Number

NJ TeleFile will assign you a 7-digit Confirmation Number. Write this number down in the appropriate boxes on your TeleFile Worksheet. **Your return is not filed until you receive a Confirmation Number.** This number is your proof that your return has been successfully filed through the TeleFile system. **Do not mail the worksheet to the Division of Taxation. Mail W-2 forms only if instructed to do so by NJ TeleFile.** See "Refund Amount" on page 14.

Frequently Asked NJ TeleFile Questions

What if I discover an error on my TeleFile return or I receive another W-2 or 1099?

If you discover an error on your return after you filed it through TeleFile, or you receive an additional W-2 or 1099, you must file an amended paper return, Form NJ-1040X. You cannot change your return by calling TeleFile again. For information about obtaining forms see page 71 of this booklet.

Is there any reason why NJ TeleFile would not allow me to file my return?

Yes. If you enter information during your TeleFile call that NJ TeleFile cannot verify, you will not be able to TeleFile your return. If this happens, NJ TeleFile will tell you that it cannot accept your return and direct you to file Form NJ-1040 found in this booklet.

What is my proof that I filed a 2005 New Jersey Tax Return?

Your TeleFile Worksheet along with your confirmation number is your copy of your return. Keep this worksheet and your tax statements (W-2 form(s), etc.) in your records. **Do not mail** the worksheet to the Division of Taxation. **Mail the state copies of your W-2 forms only if instructed to do so by NJ TeleFile.**

FILING INFORMATION

- ◆ Your filing status and gross income determine whether you have to file a 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.
- ◆ *Gross income* means taxable income after exclusions but before personal exemptions are subtracted. It does not include nontaxable benefits. See page 27 to find out which types of income are not taxable.
- ◆ Members of the Armed Forces see page 19 for additional information.

Use the following chart to determine whether you must file a tax return. This chart is a guide only and may not cover every situation. If you need assistance, contact the Division's Customer Service Center (609-292-6400).

Who Must File[†]

You must file a New Jersey income tax return if—

Your residency status is:

your filing status is:

and your gross income was more than:

Full-Year Resident — File Form NJ-1040

(Resident Return) as a full-year resident if:

- ◆ New Jersey was your domicile (permanent legal residence) for the entire year;
- or
- ◆ New Jersey was not your domicile, but you maintained a *permanent** home in New Jersey for the entire year and you spent more than 183 days in New Jersey. (If you are a member of the Armed Forces stationed here and New Jersey is not your domicile, you are not a resident under this definition.)

Single	\$10,000
Married, filing separate return	(from all sources)

Married, filing joint return	\$20,000
Head of household	(from all sources)
Qualifying widow(er)	

Part-Year Resident — File Form NJ-1040

(Resident Return) as a part-year resident if:

You met the definition of resident for only part of the year.

NOTE: Both part-year resident (Form NJ-1040) and part-year nonresident (Form NJ-1040NR) returns may have to be filed when a part-year resident receives income from New Jersey sources during the period of nonresidence.

Single	\$10,000 from all sources
Married, filing separate return	(for the entire year)

Married, filing joint return	\$20,000 from all sources
Head of household	(for the entire year)
Qualifying widow(er)	

Nonresident — File Form NJ-1040NR

(Nonresident Return) as a 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.

You may also be considered a nonresident for **New Jersey income tax purposes** if you were domiciled in New Jersey and you met **all** three of the following conditions for the entire year:

- ◆ You did not maintain a *permanent* home in New Jersey; **and**
- ◆ You did maintain a *permanent* home outside of New Jersey; **and**
- ◆ You did not spend more than 30 days in New Jersey.

Single	\$10,000
Married, filing separate return	(from all sources)

Married, filing joint return	\$20,000
Head of household	(from all sources)
Qualifying widow(er)	

* A home (whether inside or outside of New Jersey) is not permanent if it is maintained only during a temporary or limited period for the accomplishment of a particular purpose. Likewise, a home used only for vacations is not a permanent home.

[†]You Also Need to File a Return if:

- ◆ You had New Jersey income tax withheld from your wages and are due a refund.
- ◆ You paid New Jersey estimated taxes for 2005 and are due a refund.
- ◆ You are eligible for a New Jersey earned income tax credit or other credit and are due a refund.

Other Filing Information

Domicile. A domicile is any place you regard as your permanent home—the place to which you intend to return after a period of absence (as on vacation abroad, business assignment, educational leave, etc.). A person has only one domicile, although he or she 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 your permanent home there and to abandon your New Jersey domicile. Moving to a new location, even for a long time, does not change your domicile if you intend to return to New Jersey.

A place of abode, whether inside or outside of New Jersey, is not permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose (e.g., temporary job assignment). 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 “Who Must File” on page 16). Likewise, if New Jersey is not your domicile, you will only be considered a New Jersey resident if you maintain a permanent home and spend more than 183 days here.

Guidelines for Part-Year Residents

Filing Requirements. Any person who became a resident of this State or moved out of this State during the year is subject to New Jersey income tax for that portion of the income received while a resident of New Jersey. **Part-year residents must file a resident return and prorate all exemptions, deductions, and credits, as well as the pension and other retirement income exclusions, to reflect the period covered by the return.** A person who receives income from a New Jersey source while a nonresident must file a New Jersey nonresident return.

If you were a New Jersey resident for only part of the taxable year, you are subject to the tax if your income for the entire year exceeds \$20,000 (\$10,000 if filing status is single or married, filing

AVOIDING COMMON MISTAKES
<p>Check the following items to avoid delays in processing returns and refunds.</p> <ul style="list-style-type: none"> ✓ Use the correct form. Form NJ-1040 should be used by part-year residents as well as full-year residents. Use only a 2005 return for the 2005 tax year. ✓ Read the instruction booklet before completing the return. ✓ Use only blue or black ink when completing forms. ✓ Enter all numbers within the boxes. Do not use dollar signs or dashes. ✓ You may not report a loss on Form NJ-1040. Make no entry on lines where the amount to be reported is zero or less, <i>except</i> for Line 42, Use Tax Due. If no use tax is owed, enter “0.00” on Line 42. ✓ Make no entry on unused lines. ✓ When rounding, enter zeros after the decimal point for cents. ✓ Check name, address, social security number, and county/municipality code for accuracy when using the label or writing information on the return. ✓ Enter last name first when writing information on the tax return. This requirement differs from the Federal return. ✓ Fill in only one oval for your filing status. ✓ Use “STATE WAGES” figure(s) from your W-2(s), NOT Federal wages figure(s). If you received wages from sources outside New Jersey, this figure may need to be adjusted to reflect New Jersey tax law. ✓ Locate the correct column for your filing status in the Tax Table when calculating your New Jersey tax liability on Line 38. ✓ Request a refund by completing Line 62. ✓ Check your math. ✓ Sign and date your return. Both spouses must sign a joint return. ✓ Keep a copy of your return and all supporting documents or schedules. ✓ Changes or mistakes to your original return may be corrected by filing an amended return. See page 23.

separate return), even though the income reported for your period of residence was below these thresholds. If the income received during the entire year was \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), you must enclose a copy of your Federal income tax return or a statement to that effect if you did not file a Federal return.

NOTE: If you derived any income from New Jersey sources during your period of nonresidence, it may also be necessary to file a New Jersey nonresident return. Any withholdings should be allocated between the resident and nonresident returns. For more information, see Form NJ-1040NR, New Jersey nonresident return and instructions.

Line 14 - Wages. You must determine from each W-2 you receive the portion of your “State wages, tips, etc.” that you earned while you were a New Jersey resi-

dent. If your W-2 indicates only wages earned while you were a New Jersey resident, use the amount from the “State wages, tips, etc.” box. If your employer did not separate your resident and nonresident wages on the W-2, you must prorate the “State wages, tips, etc.” amount for the period of time you lived in New Jersey. Add the amounts reportable for the period of New Jersey residency and place the total on Line 14.

Do not include any W-2(s) where the total W-2 income was derived from out-of-State sources during your period of nonresidence.

Other Income. For interest, dividends, pensions, and other income, include on your return only those amounts received while a resident of New Jersey. Part-year resident partners and, in general, S corporation shareholders must prorate the entity’s income based on the number of

continued

Part-Year Residents - continued

days in the entity's fiscal year that you were a resident divided by 365 (366 for leap years). Partners and shareholders should request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*, for instructions on reporting distributive share of partnership income and net pro rata share of S corporation income.

Line 19b - Pension Exclusion. If you were a New Jersey resident for only part of the taxable year and your gross income for the *entire year* was \$100,000 or less (before subtracting any pension exclusion), you may qualify for a pension exclusion if you meet the other eligibility requirements. If you qualify, prorate the exclusion by the number of months you were a New Jersey resident. For this calculation 15 days or more is a month.

Line 27 - Other Retirement Income Exclusion. 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 on page 36 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 on Line 19b.

For more information request Tax Topic Bulletin GIT-6, *Part-Year Residents*.

Line 29 - Exemptions. Your total exemptions (Line 29c) must be prorated based upon the number of months you

were a New Jersey resident. For this calculation 15 days or more is a month.

$$\text{Lines 29a\&b} \times \frac{\text{Mos. NJ Resident}}{12} = \text{Line 29c}$$

Lines 30, 31, 32, and 33 - Deductions. You may deduct medical expenses, qualified Archer medical savings account (MSA) contributions, health insurance costs of the self-employed, alimony and separate maintenance payments, and qualified conservation contributions based on the actual amounts paid for the period of time you lived in New Jersey. Use Worksheet E on page 38 to determine the medical expense deduction. In addition, eligible taxpayers may qualify for a prorated Health Enterprise Zone (HEZ) deduction.

Line 36 - Property Tax Deduction. You may also be eligible to claim a deduction for property taxes you paid, or rent constituting property taxes (18% of rent due and paid) during your period of residency. When you do the calculation to determine whether the deduction or credit is better for you, prorate the minimum tax benefit of \$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse) based on the number of months you occupied your New Jersey residence. For this calculation 15 days or more is a month. Use this prorated figure instead of the \$50 figure (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse) at Line 8, Schedule 1 or Line 5, Worksheet F.

Line 46 - Property Tax Credit. You must prorate the amount of any property tax credit on Line 46 based on the number of months you occupied your qualified New Jersey residence. For this calculation 15 days or more is a month.

Line 48 - New Jersey Earned Income Tax Credit. If you were a New Jersey resident for only part of the taxable year and your gross income for the entire year from all sources was \$20,000 or less, you may qualify for a New Jersey earned income tax credit if you meet the other eligibility requirements. The amount of your credit must be prorated based upon the

TAXPAYERS' BILL OF RIGHTS

The New Jersey Taxpayers' Bill of Rights simplifies tax administration and ensures that all taxpayers—individuals and businesses alike—are better informed and receive fair and equitable treatment during the tax collection process. Highlights of the Taxpayers' Bill of Rights include:

Service—

- ◆ Division must respond to taxpayers' questions within a reasonable time period.
- ◆ Notices of taxes and penalties due must clearly identify the purpose of the notice and must contain information about appeal procedures.

Appeals—

- ◆ Time to appeal to the Tax Court is generally 90 days.

Interest on Refunds—

- ◆ Interest is paid at the prime rate on refunds for all taxes when the Division takes more than six months to send you a refund.
- ◆ You may request that your overpayment of this year's tax be credited towards next year's tax liability, however, interest will not be paid on overpayments that are credited forward.

For more information on the rights and obligations of both taxpayers and the Division of Taxation under the Taxpayers' Bill of Rights, request our publication ANJ-1, *New Jersey Taxpayers' Bill of Rights*.

continued


Part-Year Residents - continued

number of months you were a New Jersey resident. For this calculation 15 days or more is a month.

For more information, request Tax Topic Bulletin GIT-6, *Part-Year Residents*.

Guidelines for Military Personnel

Residents. A member of the Armed Forces whose home of record (domicile) is New Jersey when entering the service remains a resident of New Jersey for income tax purposes, and must file a resident return even if assigned to duty in another state or country, unless he or she qualifies for nonresident status (see chart on page 16). If you are a New Jersey resident, you are subject to tax on all your income, including your military pay, regardless of where it is earned, unless the income is specifically exempt from tax under New Jersey law. Mustering-out payments, subsistence and housing allowances are exempt.

TAX TIP  Military pensions are exempt from New Jersey gross income tax, regardless of your age or disability status. See *Pensions, Annuities, IRA Withdrawals, and Exclusion* on page 31.

A member of the Armed Forces whose home of record is New Jersey and who is stationed outside the State (whether living in barracks, billets, apartment, or house) and does not intend to remain outside New Jersey, continues to be a resident and must file a resident return and report all taxable income. However, if a serviceperson pays for and maintains facilities such as an apartment or a home outside of New Jersey, either by out-of-pocket payments or forfeiture of quarters allowance, such facilities will constitute a *permanent* home outside of New Jersey. In this case, the serviceperson is not considered a New Jersey resident for tax purposes.

Nonresidents. A member of the Armed Forces whose home of record (domicile) is outside of New Jersey does not become a New Jersey resident when assigned to

duty in this State. A nonresident serviceperson's military pay is not subject to New Jersey income tax and he or she is not required to file a New Jersey return unless he or she has received income from New Jersey sources other than military pay. Mustering-out payments, subsistence and housing allowances are also exempt. A nonresident serviceperson who has income from New Jersey sources such as a civilian job in off-duty hours, income or gain from property located in New Jersey, or income from a business, trade, or profession carried on in this State must file a New Jersey nonresident return, Form NJ-1040NR.

If your permanent home (domicile) was New Jersey when you entered the military, but you have changed your state of domicile or you satisfy the conditions for nonresident status (see chart on page 16), then your military pay is not subject to New Jersey income tax. File Form DD-2058-1 or DD-2058-2 with your finance officer to stop future withholding of New Jersey income tax. If New Jersey income tax was erroneously withheld from your military pay, you must file a nonresident return (Form NJ-1040NR) to obtain a refund of the tax withheld. For more information, see the nonresident return instructions.

Spouses of Military Personnel. Spouses (of military personnel) who were not domiciled in New Jersey when they married the military spouse are not considered residents of New Jersey if:

- ♦ The principal reason for moving to this State was the transfer of the military spouse; and
- ♦ It is their intention to leave New Jersey when the military spouse is transferred or leaves the service.

New Jersey law requires that a couple's filing status for New Jersey gross income tax purposes be the same as for Federal income tax purposes. A married couple filing a joint Federal return must file a joint return in New Jersey. One exception to this rule is when one spouse is a New Jersey resident and the other is a nonresident for the entire year. In this case, the

resident may file a separate return and use the married, filing separate tax rates, unless both spouses agree to file jointly as residents. If a joint resident return is filed, their joint income will be taxed as if both spouses were residents.

Extensions. Special rules apply to members of the Armed Forces of the United States and civilians providing support to the Armed Forces. See "Military Extensions" on page 20.

Death Related to Duty. When a member of the Armed Forces serving in a combat zone or qualified hazardous duty area dies as a result of wounds, disease, or injury received there, no income tax is due for the taxable year the death occurred, nor for any earlier years served in the zone or area.

For more information on military personnel, request Tax Topic Bulletin GIT-7, *Military Personnel*.

When to File

In general, your New Jersey income tax return is due when your Federal income tax return is due. For calendar year filers, the 2005 New Jersey income tax return is due by April 17, 2006. Fiscal year filers must file their New Jersey income tax return by the 15th day of the fourth month following the close of the fiscal year.

Postmark Date. All New Jersey income tax returns postmarked on or before the due date of the return are considered to be filed on time. Tax returns postmarked after the due date are considered to be filed late. When a return is postmarked after the due date, the filing date for that return is the date the return was received by the Division, not the postmark date of the return. Interest on unpaid liabilities is assessed from the due date of the return.

Extension of Time to File

An extension of time is granted only to file your New Jersey resident income tax return. There is no extension of time to pay tax due. **Penalties and interest are imposed whenever tax is paid after the original due date.**

*Extension of Time to File - continued***Six-Month Extension**

New for 2005 You may receive a six-month extension of time to file your New Jersey resident income tax return if at least 80% of the tax liability computed on your Form NJ-1040 when filed is paid in the form of withholdings, estimated, or other payments by the original due date, **and**

- 1. Federal extension filed.** A copy of your Federal Application for Automatic Extension is enclosed with your final return and the oval at the top of the NJ-1040 is filled in (if the extension application was filed by phone or online, your confirmation number is entered in the space provided at the top of Form NJ-1040); **or**
- 2. No Federal extension filed.** You file a request for a six-month extension on Form NJ-630, Application for Extension of Time to File New Jersey Gross Income Tax Return, by the original due date of the return. Taxpayers who file Form NJ-630 will not receive an approved copy. We will notify you only if your request is denied, but not until after your return is actually filed.

NOTE: If a Federal extension is filed, Form NJ-630 must still be filed by the original due date if you are required to make a payment to satisfy the 80% requirement.

If you fail to satisfy the requirements outlined for extension, or you fail to file your return by the extended due date, your extension will be denied and penalties and interest will be imposed from the original due date of the return. See "Penalties, Interest, and Collection Fees" on page 23.

Military Extensions

Special rules apply to members of the Armed Forces of the United States and civilians providing support to the Armed Forces.

A person on active duty with the Armed Forces of the United States who may not be able to file timely because of distance, injury, or hospitalization as a result of this service, will automatically receive a six-month extension by enclosing an explanation with the return when filed.

Combat Zone. New Jersey allows extensions of time to file income tax returns and pay any tax due for members of the Armed Forces and civilians providing support to the Armed Forces serving in an area which has been declared a "combat zone" by executive order of the President of the United States or a "qualified hazardous duty area" by Federal statute. Once you leave the combat zone or qualified hazardous duty area, you have 180 days to file your tax return. Enclose a statement with your return to explain the reason for the extension.

In addition, if you are hospitalized outside of the State of New Jersey as a result of injuries you received while serving in a combat zone or qualified hazardous duty area, you have 180 days from the time you leave the hospital or you leave the combat zone or hazardous duty area, whichever is later.

Qualifying military and support personnel, as defined above, are granted an extension of time for paying tax for the period of combat service or hospitalization, plus 180 days.

Enclose a statement of explanation with your return when you file. No interest or penalties will be assessed during a valid extension for service in a combat zone or qualified hazardous duty area. This extension is also granted to a taxpayer's spouse who files a joint return.

How to Pay

The balance of tax due must be paid in full by the original due date of the return. If you owe less than \$1, no payment is required. You may make your payment by

check or money order, electronic check (e-check), or credit card.

Check or Money Order. You will find a payment voucher (Form NJ-1040-V) at the front of this booklet. If you owe tax and are sending the payment with your 2005 return, enter the amount of tax due in the boxes on the payment voucher. Do not make changes to any information pre-printed on the payment voucher. Instead, make any necessary changes on Form NJ-1040 (and TR-1040). For information about mailing forms, see "Where to Send Your Return" on page 21.

Make check or money order payable to **State of New Jersey – TGI**. Write your social security number on the check or money order. Use social security numbers of both husband and wife for a joint return. Send your payment for the balance due with the payment voucher in the same envelope with your tax return.

If you are paying a balance due for the 2005 tax year and are making the first installment of estimated tax for 2006, please use separate checks or money orders for each payment. Send your 2006 estimated tax payment with an NJ-1040-ES voucher to the address on that payment voucher.

Do not include the estimated tax payment with your 2005 income tax return.

Electronic Check (e-check). You may be able to pay your 2005 New Jersey income taxes or make a payment of estimated tax for 2006 by e-check. This option is available on the Division's Web site (www.state.nj.us/treasury/taxation/). Taxpayers who do not have Internet access can make a payment by e-check by contacting the Division's Customer

John Smith
Jane Smith
123 Main Street
Trenton, NJ 08611

Date _____

PAY TO THE ORDER OF _____ \$ _____

15-0000/0000 1234

Anyplace Bank
Trenton, NJ 08611

Routing number: 202020861

Account number: 1234

For 12502500251

15-0000/0000 1234

Do not include the check number

SAMPLE

You will need your bank's 9-digit routing number and your account number to make a payment by e-check. Do not enter the check number as part of the account number. **NOTE:** The routing and account numbers may be in different places on your check.

continued

How to Pay - continued

Credit Card Payment Sample Convenience Fees

Transaction Amount	Convenience Fee	Total Amount
\$ 100.00	\$ 2.50	\$ 102.50
200.00	5.00	205.00
400.00	10.00	410.00
600.00	15.00	615.00
1,000.00	25.00	1,025.00
1,400.00	35.00	1,435.00
2,000.00	50.00	2,050.00
2,700.00	67.50	2,767.50
3,500.00	87.50	3,587.50
4,400.00	110.00	4,510.00
5,400.00	135.00	5,535.00
6,400.00	160.00	6,560.00
7,400.00	185.00	7,585.00
8,700.00	217.50	8,917.50
10,400.00	260.00	10,660.00
13,000.00	325.00	13,325.00
17,400.00	435.00	17,835.00
21,000.00	525.00	21,525.00
28,000.00	700.00	28,700.00
36,000.00	900.00	36,900.00
45,000.00	1,125.00	46,125.00
55,000.00	1,375.00	56,375.00
66,000.00	1,650.00	67,650.00
77,000.00	1,925.00	78,925.00
88,000.00	2,200.00	90,200.00

NOTE: Fees are subject to change.

For payments above \$100,000, please contact Official Payments Corp. at 1-866-621-4109

Service Center at 609-292-6400. Do not send in the payment voucher if you pay your taxes by e-check.

When using e-check on the Web, you will need your social security number and date of birth to make a payment. Be sure the social security number you enter matches the first social security number shown on the form for which you are making your payment, and the date of birth you enter is the date of birth for that person.

NOTE:

- (1) If you do not enter your social security number and date of birth properly, you will not be able to pay by e-check.
- (2) If you are filing a New Jersey return for the first time, or your filing status is different than the filing status on your 2004 return, you may not be able to pay by e-check.

Credit Card. You may pay your 2005 New Jersey income taxes or make a payment of estimated tax for 2006 by credit card. Pay by phone (1-800-2PAYTAX, toll-free) or online (www.state.nj.us/treasury/taxation/) and use a Visa, American Express, MasterCard, or Discover credit card. You may be asked to enter a jurisdiction code to make your payment. The code for New Jersey is 4000. Do not send in the payment voucher if you pay your taxes by credit card.

There is a convenience fee of 2.5% paid directly to Official Payments Corporation based on the amount of your tax payment.

Time Limit for Assessing Additional Taxes. The Division of Taxation has three years from the date you filed your income tax return or the original due date of the return, whichever is later, to send you a bill for additional taxes you owe. There is no time limit if you did not file your tax return, or if you filed a false or fraudulent return with the intent to evade tax. The time limit may be extended if:

- ◆ You amended or the IRS adjusted your Federal taxable income or your Federal earned income credit;
- ◆ You amended your New Jersey taxable income;
- ◆ You entered into a written agreement with the Division extending the time to make an assessment;
- ◆ You omit more than 25% of your gross income on your New Jersey income tax return; or
- ◆ An erroneous refund is made as a result of fraud or misrepresentation by you.

Where to Send Your Return

Your packet contains a large envelope. Use the large envelope to mail your NJ-1040 and TR-1040 along with related enclosures, payment voucher, and check or money order for any tax due. On the flap of the large envelope you will find preprinted address labels with different addresses for different categories of returns. **To ensure your return is mailed properly:**

1. Remove all labels along perforations from envelope flap; and
2. Choose the correct label for your return.

Mail Returns Requesting a Refund (or with No Tax Due) With or Without FAIR Tenant Rebate Applications to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER
PO BOX 555
TRENTON NJ 08647-0555

Mail Returns Indicating Tax Due Together With Payment Voucher and Check or Money Order to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER
PO BOX 111
TRENTON NJ 08645-0111

Mail FAIR Tenant Rebate Applications Filed Without Income Tax Returns to:

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

3. Moisten and affix only the correct label on the front of the large return envelope.

Do not staple, paper clip, or tape your check or money order to the voucher.

Refunds

A return must be filed to claim a refund for overpayment of tax. If the refund is \$1 or less, you must enclose a statement specifically requesting it.

Time Period for Refunds. You have three years from the date the return was filed or two years from the time tax was paid, whichever was later, to claim a refund. If you and the Division agree in writing to extend the period of assessment, the period for filing a refund claim will also be extended.

Interest Paid on Refunds. If the Division takes more than six months to send you your income tax refund, you have a

Refunds - continued

right to receive interest on that refund. Interest at the prime rate, compounded annually, will be paid from the *later* of:

- ◆ the date the refund claim was filed;
- ◆ the date the tax was paid; or
- ◆ the due date of the return.

No interest will be paid when an overpayment is credited to the next year's tax liability or on an overpayment or portion of an overpayment which consists of a New Jersey earned income tax credit.

New Jersey law requires that any money owed to the State of New Jersey, any of its agencies, the Internal Revenue Service, or another claimant state or city that has a personal income tax set-off agreement with New Jersey be deducted from your refund or credit before it is issued. FAIR rebates may also be affected. These debts include, among other things, money owed for past due taxes, child support due under a court order, school loans, hospital bills, and IRS levies. If the Division applies your refund, credit, or rebate to any of these debts, you will be notified by mail.

Deceased Taxpayers

If a person received income in 2005 but died before filing a return, the New Jersey income tax return should be filed by the surviving spouse, executor, or administrator. Use the same filing status that was used on the final Federal income tax return. Print "Deceased" and the date of death above the decedent's name. **Do not** prorate exemptions or deductions unless the decedent was a part-year resident. The due date for filing is the same as for Federal purposes. In the area where you sign the return write "Filing as Surviving Spouse," if appropriate. A personal representative filing the return must sign in his or her official capacity. Any refund check will be issued to the decedent's surviving spouse or estate.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had he or she lived, and the income was not included on the decedent's final re-

turn, you must report the income on your own return when you receive it. The income or gain is included on Line 25, as "Other" income.

Estates and Trusts

Filing Requirements for Estates and Trusts. The fiduciary of an estate or trust may be required to file a New Jersey gross income tax return for that estate or trust. The return for an estate or trust must be filed on a New Jersey Fiduciary Return, Form NJ-1041. The fiduciary must also provide each beneficiary with a copy of the Federal Schedule K-1 which shows the beneficiary's share of the estate or trust income.

Revocable grantor trusts are required to file a New Jersey Fiduciary Return, Form NJ-1041, where there is sufficient nexus with this State and the statutory filing requirement is met. For further information, see the Fiduciary return, Form NJ-1041, instructions.

Filing Requirements for Beneficiaries. You must report the items of income or gain you receive as a beneficiary of an estate or trust on Line 25, "Other" income. Interest, dividends, capital gains, business or partnership income, etc. as listed on the Federal K-1 form(s) you received must be adjusted to reflect New Jersey tax law and then netted together before inclusion on the "Other" income line. Enclose a copy of the Federal K-1(s) with your return.

If the income from a grantor trust is reportable by or taxable to the grantor for Federal income tax purposes, it is also taxable to the grantor for New Jersey gross income tax purposes. See instructions for Line 25 on page 35 for reporting requirements.

Partnerships

A partnership is not subject to gross income tax. Individual partners are subject to tax on the income they earned from the partnership under the Federal Internal Revenue Code and the New Jersey Gross Income Tax Act. See page 34 for infor-

mation on reporting income from a partnership. Every partnership having a New Jersey resident partner or income from New Jersey sources must file a New Jersey Partnership Return, Form NJ-1065, with the New Jersey Division of Taxation by the 15th day of the fourth month following the close of the partnership's taxable year. For more information on partnership filing, request Form NJ-1065 and instructions.

Estimated Tax

Estimated tax means the amount which you estimate to be your income tax for the taxable year after subtracting payments, withholdings, and other credits.

TAX TIP You are required to make estimated tax payments using Form NJ-1040-ES when your estimated tax exceeds \$400.

Instructions for computing the estimated tax and making the payments are included with the form. Review the amount of your New Jersey gross income tax on your expected gross income (after deductions and credits) to determine if you need to make estimated tax payments for 2006.

To avoid having to make estimated tax payments, you may ask your employer to withhold an additional amount from your wages by completing Form NJ-W4. Failure to file a Declaration of Estimated Tax or pay all or part of an underpayment *will result in interest charges* on the underpayment.

Underpayment of Estimated Tax. If you failed to make all of the required estimated tax payments as described above, you should request Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts. Complete Form NJ-2210 to determine if interest is due and if so, calculate the amount. Enter on Line 43 the amount of interest due from line 19, Form NJ-2210. Be sure to fill in the oval below Line 43 and enclose Form NJ-2210 with your return.

Amended Returns

If you received an additional tax statement (W-2 or 1099) after your return was filed, or you discovered that you made any error or omission on your return, file an amended New Jersey resident return, Form NJ-1040X.

Changes in Your Federal Income Tax or Federal Earned Income Credit. If you receive a notice from the Internal Revenue Service that they changed your reported income, and that change altered your New Jersey taxable income, or if you receive a notice that your Federal earned income credit has been changed, and that change alters your New Jersey earned income tax credit, you must notify the Division of the change in writing within 90 days. File an amended tax return and pay any additional tax due.

If you file an amended Federal return which changes your New Jersey taxable income or your Federal earned income credit, you must file an amended New Jersey resident return, Form NJ-1040X, within 90 days.

Accounting Method

Use the same accounting method for New Jersey gross income tax that you used for Federal income tax purposes. Income must be recognized and reported in the same period as it is recognized and reported for Federal income tax purposes.

Rounding Off to Whole Dollars

When completing your return and the accompanying schedules, you may show the money items in whole dollars. If you have to add two or more items to figure the total to enter on a line, include cents when adding the items and round off only the total. When entering the rounded total on the line, eliminate any amount under 50 cents and increase any amount 50 cents or more to the next higher dollar. If you do round off, do so for all amounts.

When rounding, enter zeros after the decimal point for cents.

Penalties, Interest, and Collection Fees

Penalty and interest should be included with the payment of any tax due.

Late Filing Penalty

5% per month (or fraction of a month) up to a maximum of 25% of the outstanding tax liability when a return is filed after the due date or extended due date. A penalty of \$100 for each month the return is late may also be imposed.

Late Payment Penalty

5% of the outstanding tax balance may be imposed.

Interest

3% above the prime rate for every month or fraction of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged.

Collection Fees

In addition, if your tax bill is sent to our collection agency, a referral cost recovery fee of 10% of the tax due will be added to your liability. If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection of the tax may also be imposed.

Signatures

Sign and date your return in blue or black ink. Both husband and wife must sign a joint return. If you are a tenant filing a FAIR Tenant Rebate Application (Form TR-1040) with your tax return, it is not necessary to sign the rebate application. However, if you are filing only Form TR-1040, the application must be signed and dated in ink. The signature(s) on the form you file must be original; photocopied signatures are not acceptable. A return without the proper signatures cannot be processed and will be returned to you. This causes unnecessary processing delays and may result in penalties for late filing or a delay or denial of your FAIR rebate.

Don't Need Forms Mailed to You Next Year? Taxpayers who pay someone else to prepare their returns probably do not use the income tax return booklets mailed to them each year. If you do **not** need a booklet mailed to you next year, fill in the oval below the signature line. Telling us that you do not need a booklet next year will help us reduce printing and mailing costs.

TAX TIP Preparer Authorization.



Because of the strict provisions of confidentiality, Division of Taxation personnel may not discuss your return or enclosures with anyone other than you without your written authorization. If, for any reason, you want a Division of Taxation representative to discuss your tax return with the individual who signed your return as your "Paid Tax Preparer," we must have your permission to do so. To authorize the Division of Taxation to discuss your return and enclosures with your "Paid Tax Preparer," fill in the oval above the preparer's signature line.

Tax Preparers. Anyone who prepares a return for a fee must sign the return as a "Paid Preparer" and enter his or her social security number or Federal preparer tax identification number. Include the company or corporation name and Federal identification number, if applicable. A tax preparer who fails to sign the return or provide a tax identification number may incur a \$25 penalty for each omission. Someone who prepares your return but does not charge you should not sign your return.

Keeping Tax Records

Keep copies of your tax returns and the supporting documentation of income, age and/or disability, deductions, and credits until the statute of limitations has expired for each return. Generally, this is three years after the filing date or two years from the date the tax was paid, whichever is later.

Privacy Act Notification

The Federal Privacy Act of 1974 requires an agency requesting information from individuals to inform them why the request is being made and how the information is being used.

Your social security number is used primarily to account for and give credit for tax payments. The Division of Taxation also uses social security numbers in the administration and enforcement of all tax laws for which it is responsible. In addition, the Division of Taxation is required

by law to forward an annual list to the Administrative Office of the Courts containing the names, addresses, and social security numbers of individuals who file a New Jersey resident tax return or FAIR tenant rebate application. This list will be used to avoid duplication of names on jury lists.

Federal/State Tax Agreement

The New Jersey Division of Taxation and the Internal Revenue Service have entered into a Federal/State Agreement to

exchange income tax information in order to verify the accuracy and consistency of information reported on Federal and New Jersey income tax returns.

Fraudulent Return

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$7,500 or imprisonment for a term between three and five years or both.

2005 Form NJ-1040 Line-by-Line Instructions

Name and Address

Place the peel-off label at the front of this booklet in the name and address section at the top of the return. **Do not use the label if any of the information is incorrect.** If your label contains inaccurate information or you do not have a label, print or type your name (last name first), complete address, and zip code in the spaces provided. Also include your spouse's name if filing jointly. Your refund and next year's form will be sent to the address you provide.

If your legal residence and the address on the return differ, enclose a statement of explanation to avoid a delay in processing.

Social Security Number

Your social security number(s) is not printed on your name and address label. **You must enter your social security number(s)** in the space provided on the return, one digit in each box. If your filing status is married, filing joint return, remember to report both spouses' numbers in the order in which the names are listed on the return.

If you (or your spouse) do not have a social security number, file Form SS-5 with the Social Security Administration to apply for a social security number. Taxpayers who are not eligible for a social

security number must file Form W-7 with the Internal Revenue Service to obtain an individual taxpayer identification number (ITIN). Enter on Form NJ-1040 the same number (social security number or ITIN) that you entered on your Federal income tax return. If you applied for but have not received an ITIN by the return due date, enclose a copy of your Federal Form W-7 application with your New Jersey income tax return.

County/Municipality Code

Check the county/municipality code on your label (see example below). **Do not use the label if any of the information is incorrect.** If your label contains inaccurate information or you do not have a label, enter your four-digit code, one digit in each box, from the table on page 59. This code identifies the county and municipality of your current residence. The county and municipality codes in these instructions are for Division of Taxation purposes only.



TAX TIP If the local name of the place where you live is not listed, enter the code for the municipality where the property taxes were paid on your dwelling. (Go to www.state.nj.us/infobank/locality.htm for a listing of local names in the State and the county and municipality in which they are located.)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
SMIT 1111
SMITH JOHN & JANE
123 MAIN STREET
TRENTON, NJ 08611
County/Municipality Code
123123123900

NJ Residency Status

If you were a New Jersey resident for only part of the taxable year, list the month, day, and year your residency began and the month, day, and year it ended. All months should be listed as two-digit numbers with the digits 01 for January, 02 for February, 03 for March, etc. Place the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

The days of the months should be listed as two-digit numbers beginning with the digits 01 for the first day of the month and ending with the digits 31 for the last day of the month. Place the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

For calendar year filers the year should be entered as 05 and the numbers placed directly in the boxes containing the letter "Y," one digit in each box. Fiscal year filers should enter the appropriate year in the "Y" boxes.

Filing Status (Lines 1 - 5)

In general, you must use the same filing status on your New Jersey return as you do for Federal income tax purposes. Indicate the appropriate filing status. Fill in only **one** oval.

If spouses file a joint Federal income tax return, they must also file a joint New Jersey income tax return. If spouses file separate Federal returns, separate State returns must also be filed. If your filing status is married, filing separate return, be sure to enter the social security number of your spouse in the boxes provided at the top of the tax return.

If your spouse died during the year, you are considered married for that entire year and you may file a joint return for yourself and your deceased spouse provided you did not remarry before the end of the year. You may be eligible to use the filing status “qualifying widow(er)” for each of the *two tax years after the year in which your spouse died* if you pay more than one-half of the cost of keeping up a home for yourself and at least one child, stepchild, adopted child, or foster child who qualifies as your dependent.

If you meet the requirements to file as head of household for Federal income tax purposes, you may file as head of household for New Jersey. Certain married individuals living apart may file as head of household for New Jersey if they meet the requirements to file as head of household for Federal purposes.

If during the entire taxable year one spouse was a resident and the other a nonresident, the resident spouse may file a separate New Jersey return. The resident spouse computes income and exemptions as if a Federal married, filing separate return had been filed. You have the option of filing a joint return, but remember, joint income would be taxed as if both spouses were residents.

NOTE: You may use the filing status “Married, filing joint return” or “Married, filing separate return” only if you and your spouse were married on the last day of the tax year. If you were a member of a domestic partnership registered in New Jersey, you are not considered “married” and you may not use these filing statuses.

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

Exemptions - Personal (Lines 6 - 8)

The exemptions claimed on Line 6 apply to you and either your spouse or your domestic partner. The exemptions claimed on Lines 7 and 8 apply only to you and your spouse. The exemptions for age and disability are not available for a domestic partner or for your dependents. If your filing status is married, filing separate return, you generally do not fill in the spouse oval on Lines 6, 7, or 8.

Line 6 - Regular Exemptions

As a taxpayer you may claim a personal exemption for yourself, even if you are a minor who is claimed as a dependent on your parents’ return. For your convenience, “Yourself” is already filled in. If you are married and filing a joint return with your spouse, fill in the spouse oval as well.

If you were a member of a domestic partnership that was registered in New Jersey on the last day of the tax year, you may claim an exemption for your domestic partner **only if he or she does not file a New Jersey income tax return**. *You must enclose a copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption, and you may be asked to provide additional information at a later date.* If you are claiming this exemption, fill in the domestic partner oval.

Add the number of ovals filled in and enter the result in the box on Line 6.

Line 7 - Age 65 or Older

If you (or your spouse if filing a joint return) were 65 years of age or older on the last day of the tax year, you (and your spouse if qualified) are eligible for an additional exemption. *You must enclose proof of age such as a copy of a birth certificate, driver’s license, or church records with your return the first time you claim the exemption.* Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 7.

Line 8 - Blind or Disabled

If you (or your spouse if filing a joint return) were blind or disabled on the last day of the tax year, you (and your spouse if qualified) are eligible for an additional exemption. “Disabled” means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including blindness. *You must enclose a copy of the doctor’s certificate or other medical records with your return the first time you claim the exemption.* This information need not be submitted each year providing there is no change in your condition. Fill in the appropriate oval(s). Add the number of ovals filled in and enter the result in the box on Line 8.

Exemptions - Dependency (Lines 9 - 11)

The exemptions claimed on Lines 9, 10, and 11 apply only to dependents. The exemption for dependents attending colleges is not available to you, the taxpayer, or your spouse or your domestic partner.

Line 9 - Dependent Children

You may claim an exemption for each dependent child who qualifies as your dependent for Federal income tax purposes. Enter the number of your dependent children in the box on Line 9.

Line 10 - Other Dependents

You may claim an exemption for each other dependent who qualifies as your dependent for Federal income tax purposes. Enter the number of your other dependents in the box on Line 10.

Line 11 - Dependents Attending Colleges

You may claim an additional exemption for each dependent under age 22 who is a full-time student at an accredited college or postsecondary institution for whom you paid one-half or more of the tuition and maintenance costs. Financial aid received by the student is not calculated into your cost when totaling one-half of your dependent's tuition and maintenance. However, the money earned by students in College Work Study Programs is income and is taken into account.

Remember, to claim this additional

exemption, each dependent must have already been claimed on Line 9 or 10.

Requirements

- ◆ Student must be **under 22 years of age** for the entire tax year.
- ◆ Student must attend full-time. "Full-time" is determined by the institution.
- ◆ Student must spend at least some part of each of five calendar months of the tax year at school.
- ◆ The educational institution must maintain a regular faculty and curriculum and have a body of students in attendance.

Enter the number of exemptions for your qualified dependents attending colleges in the box on Line 11.

Line 12 - Totals

Add Lines 6, 7, 8, and 11 and enter the total in the box on Line 12a. Add Lines 9 and 10 and enter that total in the box on Line 12b.

Line 13 - Dependents' Information

New for 2005

Enter on Line 13 the full name, social security number, and year of birth for each dependent child or other dependent claimed on Lines 9 and/or 10. If the spaces provided are not sufficient, enclose a statement with the return listing the required information for each additional dependent.

The dependents you list must be the same persons who qualify as your dependent children or other dependents for Federal income tax purposes. Enter the same social security number, individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN) for each dependent that you entered on your Federal return. To obtain an ATIN, file Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, with the Internal Revenue Service. See page 24 for information on obtaining a social security number or ITIN.

NOTE: If you qualify for the New Jersey earned income tax credit (see the instructions for Line 48), you must enter on Line 13 the name, social security number, and birth year of any "qualifying child" listed on your Federal Schedule EIC who is not claimed as your dependent for New Jersey purposes.

Gubernatorial Elections Fund

The Gubernatorial Elections Fund, financed by taxpayer designated \$1 contributions, provides partial public financing to qualified candidates for the office of Governor of New Jersey. With its contribution and expenditure limits, the Gubernatorial Public Financing Program has since 1977 assisted 62 candidates to conduct their campaigns free from the improper influence of excessive campaign contributions. Operation of the program has also permitted candidates of limited financial means to run for election to the State's highest office. As a condition of their receipt of public financing, candidates must agree to participate in two debates which provide the

Gross Income includes the following:

- ◆ Wages and other compensation
- ◆ Interest and dividends
- ◆ Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ◆ Net profits from business, trade, or profession
- ◆ Net gains or income from sale or disposition of property
- ◆ Pensions, annuities, and IRA withdrawals
- ◆ Net distributive share of partnership income
- ◆ Net pro rata share of S corporation income
- ◆ Net rental, royalty, and copyright income
- ◆ Net gambling winnings
- ◆ Alimony
- ◆ Estate and trust income
- ◆ Income in respect of a decedent
- ◆ Prizes and awards, including scholarships and fellowships (unless they satisfy the conditions on page 35)
- ◆ Value of residence provided by employer
- ◆ Fees for services rendered, including jury duty

New Jersey gross income also **includes** the following which are not subject to Federal income tax:

- ◆ Interest from obligations of states and their political subdivisions, other than New Jersey and its political subdivisions
- ◆ Income earned by a resident from foreign employment
- ◆ Certain contributions to pensions and tax-deferred annuities
- ◆ Employee contributions to Federal Thrift Savings Funds, 403(b), 457, SEP, or any other type of retirement plan other than 401(k) Plans

continued

Gubernatorial Elections Fund - continued

public with an opportunity to hear the views of each candidate. For more information on the Gubernatorial Public Financing Program, contact the New Jersey Election Law Enforcement Commission at 609-292-8700 or write to:


NJ ELECTION LAW ENFORCEMENT COMMISSION
PO Box 185
TRENTON NJ 08625-0185

Lists of contributors to gubernatorial candidates and copies of reports filed by gubernatorial candidates may be viewed on the Election Law Enforcement Commission Web site at: www.elec.state.nj.us.

Participation in the \$1 income tax check-off protects the continuity and integrity of the Gubernatorial Elections Fund by providing that funds will be reserved for future gubernatorial elections thereby deterring the use of needed funding for other purposes. If you want to designate \$1 to go to help candidates for governor pay campaign expenses, fill in the "Yes" oval in the Gubernatorial Elections Fund section of the return. If you are filing a joint return, your spouse may also designate \$1 to this fund. **Filling in the "Yes" oval will not in any way increase your tax liability or reduce your refund.**

Income (Lines 14 - 25)

Gross income means all income you received in the form of money, goods, property, and services unless specifically exempt by law. As a New Jersey resident you must report all taxable income you receive, whether from New Jersey or not, on your return.

TAX TIP  **Important! A net loss in any category of income cannot be reported as such on Form NJ-1040. A loss within one category of income may be applied against other income within the same category. However, a net loss in one category of income cannot be applied against income or gains in another. In the case of a net loss in any category, make no entry on the corresponding line. No carryback or carryover of losses is allowed under New Jersey law.**

If you have income that is taxed both by New Jersey and by another jurisdiction outside of New Jersey, you may be eligible for a credit against your New Jersey income tax. See instructions for Schedule A, Credit for Income or Wage Taxes Paid to Other Jurisdiction, on page 48.

Line 14 - Wages, Salaries, Tips, etc.

Enter the total amount you received during the taxable year from wages, salaries, tips, fees, commissions, bonuses, and other payments received for services

Exempt Income


*Do not include the following income when deciding if you must file a return. These items should **not** appear anywhere on your form except for tax-exempt interest, which is reported on Line 15b.*

- ◆ Federal Social Security
- ◆ Railroad Retirement (Tier 1 and Tier 2)
- ◆ United States military pensions and survivor's benefit payments
- ◆ Life insurance proceeds received because of a person's death
- ◆ Employee's death benefits
- ◆ Permanent and total disability, including VA benefits
- ◆ Temporary disability received from the State of New Jersey or as third party sick pay
- ◆ Worker's Compensation
- ◆ Gifts and inheritances
- ◆ Qualifying scholarships or fellowship grants
- ◆ New Jersey Lottery winnings
- ◆ Unemployment Compensation
- ◆ Interest and capital gains from: (a) Obligations of the State of New Jersey or any of its political subdivisions; **or** (b) Direct Federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds (see Line 15b)
- ◆ Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on Federal obligations
- ◆ Certain distributions from "New Jersey Qualified Investment Funds" (see Line 15b)
- ◆ Earnings on qualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ◆ Employer and employee contributions to 401(k) Salary Reduction Plans (but **not** Federal Thrift Savings Funds)
- ◆ Some benefits received from certain employer-provided cafeteria plans (but not salary reduction or premium conversion plans). Request Division Technical Bulletin TB-39
- ◆ Contributions to and distributions from Archer MSAs if they are excluded for Federal income tax purposes
- ◆ Direct payments and benefits received under homeless persons assistance programs
- ◆ FAIR rebates
- ◆ Homestead rebates
- ◆ NJ SAVER rebates
- ◆ Property tax reimbursements (Senior Freeze Program)
- ◆ Income tax refunds (New Jersey, Federal, and other jurisdictions)
- ◆ New Jersey earned income tax credit payments
- ◆ Welfare
- ◆ Child support
- ◆ Amounts paid as reparations or restitution to Nazi Holocaust victims
- ◆ Assistance from a charitable organization, whether in the form of cash or property

Line 14 - Wages, Salaries, Tips, etc. - continued

performed as an employee. Include all payments you received whether in cash, benefits, or property.

Enter the total of State wages, salaries, tips, etc. from **all** employment both inside and outside New Jersey.

TAX TIP  **Be sure to take the figure(s) from the "State wages" box on your W-2(s).** See sample W-2 below.

NOTE: The "State wages" figure on W-2(s) you received from employment outside New Jersey may need to be adjusted to reflect New Jersey tax law.

All W-2(s) must be enclosed with your tax return. **Do not** staple W-2(s) to your return. If you have also paid taxes to another jurisdiction on the wages entered on this line, see page 48 for more information.

Pension and annuity income or early retirement benefits should not be included on this line but should be reported on Line 19a.

Retirement Plans. Under New Jersey law, contributions to retirement plans (other than 401(k) Plans) are included in the State wages figure on the W-2 in the year the wages are earned. This may cause your State wages figure to be higher than your Federal wages figure.

Meals and/or Lodging. You may exclude from the amount reported on Line 14 meals and/or lodging reported as wages on your W-2 provided that:

1. The meals and/or lodging were furnished on the business premises of your employer; and
2. The meals and/or lodging were furnished for the convenience of your employer; and
For lodging only:
3. You were required to accept the lodging as a condition of your employment.

If you exclude the value of meals and/or lodging from your wages, you **must** enclose a signed statement explaining how you have met these conditions. If the

statement is not enclosed, your wages will be adjusted to represent the full amount shown on your W-2.

Food and maintenance payments made to New Jersey State Police officers as part of their union contract **cannot** be excluded from gross income. These payments do not meet the criteria above.

Employee Business Expenses. Employee business expenses are **not** deductible for New Jersey gross income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for employee business expenses reported as wages on your W-2 provided that:

1. The expenses for which you are reimbursed are job-related expenses;
2. You are required to and do account for these expenses to your employer; and
3. You are reimbursed by your employer in the exact amount of the allowable expenses.

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

a Control number 22222		Void <input type="checkbox"/>	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 Employee's social security number			5 Medical insurance and tips	6 Medicare tax withheld		
			7 Social security tips	8 Allocated tips		
e Employer name and address (Last name)			9 Additional compensation	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		
15 State Employer's state ID number NJ 234-567-890/000			14 Other UI/HC/WD - \$105.83 DI - \$124.50 DI P.P. #(Private Plan No.)		12c	
			16 State wages, tips, etc. 32,250.00		17 State income tax 525.00	
18 Local wages, tips, etc.		19 Local income tax		20 Locality name		

Line 14 - Wages, Salaries, Tips, etc. - continued

If you receive excludable reimbursements for employee business expenses which are included in your wages on your W-2, enclose a statement explaining the amount you are excluding and your reasons for excluding this amount. Also enclose a copy of your Federal Form 2106.

Commuter Transportation Benefits.

Certain amounts you receive from your employer up to \$1,310 for using an alternative means of commuting (such as public transportation, carpools, vanpools, etc.) may be excluded from your New Jersey gross income. Commuter transportation benefits may not be excluded from gross income unless your employer provides those benefits *in addition to* your regular compensation.

If the commuter transportation benefits you received exceed the maximum excludable amount, the excess amount is taxable and is included in your gross income. Your W-2 form will show both the taxable and nontaxable benefit amounts. The taxable benefits are included in the "State wages" figure on your W-2, while the nontaxable benefits are not.

An employee who receives money towards commuter transportation benefits must provide his/her employer with suitable proof (receipts, ticket stubs, etc.) to show that the employer-provided money was used for an alternative means of commuting.

Federal Statutory Employees. If you are considered a "statutory employee" for Federal income tax purposes, you may not deduct your business expenses unless you are self-employed or an independent contractor under New Jersey law. The Federal label of "statutory employee" has no meaning for New Jersey gross income tax purposes. Business expenses may only be deducted from the business income of a self-employed individual. See the instructions for Line 17 (Net Profits From Business).

Moving Expenses. Moving expenses are **not** deductible for New Jersey gross income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for the following

moving expenses if the Federal requirements to claim moving expenses were met and the expenses were included in wages on your W-2.

1. The cost of moving your household goods and personal effects from the old home to the new home.
2. The actual expenses incurred by you for traveling, meals, and lodging when moving you and your family from your old residence to your new residence.

Reimbursements for any other moving expense may not be excluded from income.

If you receive excludable reimbursements for moving expenses which are included in your wages on your W-2, enclose a statement explaining the amount you are excluding and your reasons for excluding this amount. Also enclose a copy of your Federal Form 3903.

Compensation for Injuries or Sickness.

Certain amounts received for personal injuries or sickness are not subject to tax. You may exclude from the amount reported on Line 14 such amounts included as wages on your W-2 provided that:

1. The payments must be compensation for wage loss which results from absence due to injury or sickness of the employee; and
2. The payments must be due and payable under an enforceable contractual obligation under the plan; and
3. The payments must not relate to sick leave wage continuation, the taking of which is largely discretionary and the payments are made regardless of the reason for absence from work.

If such payments are included in the State wage figure on your W-2, you must file Form NJ-2440 with your New Jersey return to exclude them.

Line 15a - Taxable Interest Income

Report all of your taxable interest from sources both inside and outside of New Jersey on Line 15a. New Jersey taxable interest income includes interest from the following:

- ◆ Banks
- ◆ Savings and loan associations
- ◆ Credit unions
- ◆ Savings accounts
- ◆ Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ◆ Distributions from Coverdell education savings accounts (ESAs), but only the earnings portion
- ◆ Checking accounts
- ◆ Bonds and notes
- ◆ Certificates of deposit
- ◆ Ginnie Maes
- ◆ Fannie Maes
- ◆ Freddie Macs
- ◆ Repurchase agreements
- ◆ Life insurance dividends
- ◆ Obligations of states and their political subdivisions, other than New Jersey
- ◆ Any other interest not specifically exempt

Interest received by your sole proprietorship is reportable as net profits from business on Line 17. Your portion of interest earned and received by a partnership, an estate or trust or, in general, an S corporation is reportable as distributive share of partnership income on Line 20, net income from estates or trusts on Line 25, or net pro rata share of S corporation income on Line 21. For detailed information regarding the reporting of partnership or S corporation income, request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 35. Interest paid or deemed to have been paid to you by a partnership or an S corporation and reportable to you on Form 1099 must be included on Line 15a.

Forfeiture Penalty for Early Withdrawal. If you incur a penalty by withdrawing a time deposit early, you may subtract the amount of the penalty from your interest income.

If your taxable interest income on Line 15a is more than \$1,500, enclose a copy of Schedule B, Federal Form 1040, or Schedule 1, Federal Form 1040A.

Line 15b - Tax-Exempt Interest Income

Report all of your tax-exempt interest, as well as exempt interest dividends from a New Jersey Qualified Investment Fund, on Line 15b. **If Line 15b is more than \$10,000, you must include an itemized schedule detailing the amount received from each source.** New Jersey tax-exempt interest income includes interest from:

- ◆ Obligations of the State of New Jersey or any of its political subdivisions
- ◆ Direct Federal obligations such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds
- ◆ Earnings on qualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ◆ Sallie Maes
- ◆ CATS
- ◆ TIGRs
- ◆ Certain distributions from "New Jersey Qualified Investment Funds"
- ◆ Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on Federal obligations

New Jersey Qualified Investment Funds. A New Jersey Qualified Investment Fund is a regulated investment company in which at least 80% of the fund's investments (other than cash or receivables) are obligations issued either directly by the Federal government or the State of New Jersey or any of its political subdivisions. The Fund must certify such status with the Division of Taxation annually.

If you received a distribution from a qualified investment fund, you may exclude from your income only the portion of the distribution which comes from qualified exempt obligations. Although excluded from income, the tax-exempt portion is reported on Line 15b. The taxable portion of the distribution, if any, is reported as dividends on Line 16. By February 15, shareholders should be noti-

fied by the New Jersey qualified investment fund of the portion of their distribution that may be excluded from income. Contact your broker to determine whether your fund qualifies.

Do not report interest earned on your IRA(s) on Line 15b, Tax-Exempt Interest Income. If you made a withdrawal from your IRA during the year, see the instructions for Line 19a.

When you total your interest income on Lines 15a and 15b, the amount should match the total of the taxable and tax-exempt interest you reported on your Federal income tax return (if you filed a Federal 1040). Enclose a statement with your NJ-1040 explaining the difference if the amounts do not match. For more information on tax-exempt interest income, request Tax Topic Bulletin GIT-5, *Exempt Obligations*.

Line 16 - Dividends

Enter on Line 16 the amount of dividends received during the year from investments (e.g., from stocks, mutual funds) or other income-producing activities which do not constitute a trade or business. The total amount of taxable dividends received, **regardless of where earned**, must be reported.

Dividends received by your sole proprietorship are reportable as net profits from business on Line 17. Your portion of dividends earned and received by a partnership, an estate or trust or, in general, an S corporation is reportable as distributive share of partnership income on Line 20, net income from estates or trusts on Line 25, or net pro rata share of S corporation income on Line 21. For detailed information regarding the reporting of partnership income or S corporation income and distributions, request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*. For information regarding grantor trusts, see the reporting instructions for Line 25 on page 35.

Capital Gains Distributions. Capital gains distributions you receive from mutual funds or other regulated investment

companies are reported on Line 2, Schedule B and are not to be included on Line 16 as dividends.

Tax-Free Distributions. A distribution which is a return of your investment or capital and does not come from earnings or profits is a nontaxable capital or tax-free distribution. These distributions reduce the basis of the stock or investment and are not taxable until your investment is fully recovered.

Insurance Premiums. Dividends received from insurance companies are not taxable unless the dividends received exceed the premiums paid. Any interest from accumulated insurance dividends is taxable and must be reported on Line 15a.

Line 17 - Net Profits From Business

Report the net profits from your business, trade, or profession on Line 17. To determine your New Jersey profit (or loss), first complete a Federal Schedule C (or Schedule C-EZ or Schedule F). Use the same accounting method (cash or accrual) that you used for Federal income tax purposes. **In the case of a loss, make no entry on Line 17.** Enclose a copy of the Federal Schedule C (or Schedule C-EZ or Schedule F) with your return.

To comply with New Jersey income tax law you must make the following adjustments to your Federal Schedule C (or Schedule C-EZ or Schedule F):

1. Add any amount you deducted for taxes based on income.
2. Subtract interest you reported on Federal Schedule C (or Schedule C-EZ or Schedule F) which is exempt for New Jersey purposes but taxable for Federal purposes.
3. Add interest not reported on Federal Schedule C (or Schedule C-EZ or Schedule F) from states or political subdivisions outside of New Jersey which is exempt for Federal purposes.
4. Deduct the remaining 50% of meal and entertainment expenses (that were disallowed on the Federal return).

Line 17 - Net Profits From Business - continued

5. Deduct your qualified contributions to a self-employed 401(k) plan. Contributions to a plan in excess of the Federal limits, which are not an allowable deduction for Federal tax purposes, are also not deductible for New Jersey purposes.
6. Add interest and dividends derived in the conduct of a trade or business.
7. Add or subtract income or losses derived in the conduct of a trade or business from rentals, royalties, patents, or copyrights.
8. Add or subtract gains or losses from the sale, exchange, or other disposition of the trade or business's property.
9. Add or subtract the net adjustment from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, line 7. Be sure to retain the completed worksheet for your records. See page 71 for how to request Worksheet GIT-DEP and instructions.

New for 2005

10. Pursuant to N.J.S.A. 54A:5-15, for taxable years beginning after December 31, 2004, New Jersey income tax law has uncoupled from some provisions of the IRC Section 199 deduction. Subtract the New Jersey allowable IRC Section 199 deduction. Information regarding the New Jersey limitations and calculations can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

New for 2005

Sole proprietors 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 on Line 33. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin TB-56, Health Enterprise Zones, which is available on the Division's Web site (www.state.nj.us/treasury/taxation/).

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 may 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**.

Line 18 - Net Gains or Income From Disposition of Property

Enter on Line 18 the amount of net gains from New Jersey Schedule B, Line 4. Enclose Schedule B with your return. See page 52.

Pensions, Annuities, IRA Withdrawals, and Exclusion (Lines 19a - c)

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return although the taxable amount may differ from the Federal amount. (See page 34 for information on Roth IRAs.) All state and local government, teachers', and Federal pensions, and Keogh Plans are treated in the same manner as pensions from the private sector. Amounts received as "early retirement benefits" and amounts reported as pension on Schedule NJK-1, Partnership Return Form NJ-1065 are also taxable. Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as pension income. Pension payments received by reason of total and permanent disability are also exempt. However, if you retired before age 65 on a total and permanent disability pension and continue to receive pension payments after age 65, your disability pension is then treated as an ordinary pension. (See definition of "disabled" on page 25.)



TAX TIP 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 your age or disability status. Do not include such payments on Line 19a, Form NJ-1040.

Military pensions are those resulting from service in the Army, Navy, Air Force, Marine Corps, or Coast Guard. This exemption does not apply to civil service pensions or annuities, even if the pension or annuity is based on credit for military service. Most military pensions and survivor's benefit payments are received from the U.S. Defense Finance and Accounting Service while a civil service annuity is received through the U.S. Office of Personnel Management.

Retirement plans (pensions, annuities, IRAs) are either noncontributory or contributory. A noncontributory plan is one to which you have not made contributions. A contributory plan is one to which **you have** made contributions, usually through payroll deductions.

Line 19a - Taxable Amount Received

Report all taxable pensions, annuities, and IRA withdrawals on Line 19a. The amount you report on Line 19a will depend on whether or not you made contributions to the plan.

Noncontributory Plans. Amounts you receive from noncontributory plans are fully taxable. Enter on Line 19a the total amount of the pension or annuity from your 1099-R.

Contributory Plans (Other Than IRAs). The total value of your pension or annuity consists of your contributions, your

Line 19a - Taxable Amount Received - continued

employer's contributions (if any), and earnings. In general, your contributions to a pension or annuity were taxed when they were made and are not taxed by New Jersey when withdrawn (except for 401(k) Plans). Therefore, you must determine the taxable part of any distribution you receive. Use Worksheet A on page 31 to determine whether you should use the Three-Year Rule Method or the General Rule Method for your pension or annuity.

NOTE:

- ♦ If you received a distribution from a 401(k) Plan, see the section on 401(k) Plans before continuing.
- ♦ The taxable amount of an IRA withdrawal must be determined by completing Worksheet C, IRA Withdrawals, on page 33. **Do not use Worksheet A or B for an IRA withdrawal.**

Three-Year Rule Method. If you will recover your contributions within three years from the date you receive the first payment from the plan, and both you **and** your employer contributed to the plan, you may use the Three-Year Rule Method to determine your New Jersey taxable pension income. The Three-Year Rule allows you to exclude your pension and annuity payments from gross income until the payments you receive equal your contributions to the plan. Until that time, the amounts you receive, because they

are considered your contributions, are not taxable and should not be reported on your return. Once you have received (recovered) an amount equal to the amount you contributed, the payments you receive are fully taxable. Since the Three-Year Rule has been repealed for Federal income tax purposes, if you retired after July 1, 1986, the taxable amount of pension or annuity that you report on your New Jersey return when using this method will differ from the amount you report on your Federal return.

General Rule Method. If you will not recover your contributions within three years from the date you receive the first payment from the plan, or your employer did not contribute to the plan, you must use the General Rule Method to determine your New Jersey taxable pension income. From the first year you receive your pension and every year thereafter, part of your pension will be excludable (the amount that represents your contributions) and part will be taxable. Use Worksheet B below to determine the taxable amount.

Complete Worksheet B the year in which you receive your first pension payment. Once calculated, use the percentage on line 3 to determine the taxable amount year after year. You must recalculate the percentage only if your annual pension payments decrease.

Contributions to Plans Prior to Residence. Any contributions you made to a pension, annuity, or IRA prior to moving to New Jersey are treated in the same way as the contributions would have been treated had you resided in New Jersey at the time. Contributions to plans other than 401(k) Plans are considered to have been previously taxed. Use the appropriate method to determine the taxable amount.

Lump-Sum Distributions and Rollovers. When a lump-sum distribution of the entire balance from a qualified employee pension, annuity, profit-sharing, or other plan is made, the amount received in excess of the contributions to the plan that have already been taxed must be included in your income in the year received. New Jersey has no provisions for income averaging of lump-sum distributions. Report the taxable amount of a lump-sum distribution on Line 19a.

A lump-sum distribution from an IRA or a qualified employee pension or annuity plan which you roll over into an IRA or other eligible plan is excludable from New Jersey income if the rollover qualifies for deferral for Federal income tax purposes. The amount rolled over (minus previously taxed contributions) is taxable later when it is withdrawn. As under Federal law, the rollover must be made within the 60-day period after distribution.

401(k) Plans. Beginning on January 1, 1984, New Jersey's treatment of 401(k) Plan contributions changed. After that date employee contributions to 401(k) Plans were no longer included in taxable wages when earned. If you made contributions to your 401(k) Plan prior to January 1, 1984, your distribution will be treated differently than if you made all of your contributions after this date.

1. All contributions made after January 1, 1984. If all of your contributions to the 401(k) Plan were made after January 1, 1984, then your distributions from the plan are fully taxable unless your contributions exceeded the Federal limit.

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)	5. _____
6. Taxable amount (Subtract line 5 from line 4. Enter here and on Line 19a, Form NJ-1040)	6. _____
<p>*The expected return on the contract is the amount receivable. If life expectancy is a factor under your plan, Federal actuarial tables must be used to compute the expected return. The Federal actuarial tables are contained in the Internal Revenue Service's Publication 939, <i>General Rule for Pensions and Annuities</i>. 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.</p>	

**Worksheet C - IRA Withdrawals
2005**

Part I

1. **Value of IRA** on 12/31/05.
Include contributions made for the tax year from 1/1/06–4/15/06 1. _____
2. **Total distributions from IRA during the tax year.** Do not include tax-free rollovers 2. _____
3. **Total value of IRA.**
Add lines 1 and 2 3. _____
- Unrecovered Contributions:**
Complete **either** line 4a or 4b:
- 4a. **First year of withdrawal from IRA:**
Enter the total of IRA contributions that were previously taxed 4a. _____
- 4b. **After first year of withdrawal from IRA:** Complete Part II. Enter amount of unrecovered contributions from Part II, line (g)* 4b. _____
5. **Accumulated earnings in IRA on 12/31/05.** Subtract either line 4a or 4b from line 3 5. _____
6. Divide line 5 by line 3 and enter the result as a decimal 6. _____
7. **Taxable portion of this year's withdrawal.**
Multiply line 2 by decimal amount on line 6.
Enter here and on Line 19a, Form NJ-1040 7. _____

Part II—Unrecovered Contributions

- (For Second and Later Years)
- (a) **Last year's unrecovered contributions.**
From line 4 of last year's worksheet * (a) _____
 - (b) **Amount withdrawn last year.**
From line 2 of last year's worksheet (b) _____
 - (c) **Taxable portion of last year's withdrawal.** From line 7 of last year's worksheet (c) _____
 - (d) **Contributions recovered last year.** Subtract line (c) from line (b) (d) _____
 - (e) **This year's unrecovered contributions.**
Subtract line (d) from line (a) (e) _____
 - (f) **Contributions to IRA during current tax year.** Do not include tax-free rollovers (f) _____
 - (g) **Total unrecovered contributions.**
Line (e) plus line (f). Enter here and on Part I, line 4b (g) _____

*If you did not complete a worksheet in prior year(s), skip Part II and calculate the amount of unrecovered contributions as follows:

- A. Determine the total amount of **withdrawal(s)** made from the IRA in previous years.
- B. Total the portion(s) of these previous year withdrawal(s) already reported as income on prior New Jersey tax returns.
- C. Subtract the amount of previous year withdrawals reported (B) from the total amount of previous year withdrawals (A).
This difference is the amount of contributions that have been *recovered* thus far.
- D. Subtract the amount of *recovered* contributions (C) from the *total* amount of contributions made to the IRA.
This is the amount of **unrecovered** contributions to enter on **line 4b** of **Part I**.

(Keep a copy of this worksheet for your records.)

2. Contributions made before January 1, 1984. If you made contributions to the 401(k) Plan before January 1, 1984, or you made contributions beyond the Federal limit, calculate the taxable portion of your distributions from the plan using one of the methods described under contributory plans.

For more detailed information on reporting pension and annuity income on your New Jersey return, request Tax Topic Bulletin GIT-1, *Pensions and Annuities*.

IRAs. Your IRA consists of a nontaxable part (your contributions) and a taxable

part (earnings plus certain amounts, if any, rolled over from pension plans). If your contributions have been previously taxed, only the portion of your distribution that represents earnings is taxable.

Earnings credited to an IRA are not subject to tax until withdrawn. The interest, dividends and other earnings, as well as amounts which were tax-free rollovers, will become taxable when withdrawn. If the total amount in the IRA is withdrawn, the entire amount of the interest or accumulated gains becomes taxable in the year the withdrawal is made.

If, however, the withdrawal from an IRA is made over a period of years, the portion of the annual distribution that represents interest income and accumulated gains in the IRA is subject to tax. A distribution from a rollover IRA which is fully taxable for Federal income tax purposes may be treated differently for New Jersey purposes if your contributions were subject to New Jersey income tax when the contributions were made.

Report the taxable amount of an IRA withdrawal on Line 19a. Use Worksheet C above to determine the taxable portion of your IRA withdrawal. For multiple IRAs, the taxable amount may be determined by

Maximum Pension Exclusion	
Amount:	For Filing Status:
\$20,000	Married, filing joint return
\$15,000	Single Head of household Qualifying widow(er)
\$10,000	Married, filing separate return

using a separate worksheet for each IRA, or all IRAs may be combined on one worksheet.

Roth IRAs. Contributions to a Roth IRA are subject to New Jersey tax in the year they are made. However, if the requirements are satisfied, “qualified distributions” from a Roth IRA are excludable and do not have to be included in New Jersey gross income in the year received.

A “qualified distribution” is one made after the five-taxable-year period beginning with the first taxable year in which a contribution was made to your IRA, **and** which is:

- Made on or after the date on which an individual reaches age 59½; or
- Made to a beneficiary (or the individual’s estate) after the individual’s death; or
- Made because the individual becomes disabled; or
- Made as a qualified first-time home buyer distribution as defined by the Internal Revenue Code.

A payment or distribution cannot be treated as a qualified distribution if it is made within the five-taxable-year period which begins with the year the first contribution was made. A payment or distribution of an allowable rollover contribution (or income earned on the amount rolled over) from an IRA other than a Roth IRA, is not a qualified distribution if it is made within the five-taxable-year period which begins with the year in which the rollover contribution was made.

If you received a nonqualified distribution from a Roth IRA, you must report the earnings as income on Line 19a.

If you converted an existing IRA to a rollover Roth IRA during tax year 2005, any amount from the existing IRA that would be taxable if withdrawn must be included in your gross income on Line 19a.

For more detailed information on IRA withdrawals, request Tax Topic Bulletin GIT-2, *IRA Withdrawals*, or Technical Bulletin TB-44.

Line 19b - New Jersey Pension Exclusion

You qualify for the New Jersey pension exclusion if:


- You (and/or your spouse if filing jointly) were 62 years of age or older or disabled as defined by Social Security guidelines on the last day of the tax year; **and**
- New for 2005** Your gross income (combined income if filing jointly) for the entire year before subtracting any pension exclusion was \$100,000 or less.

If you qualify, you may exclude all or a part of the income you received during the year from taxable pensions, annuities, and IRA withdrawals. You may exclude up to \$20,000 (filing status married, filing joint return), \$15,000 (filing status single, head of household, or qualifying widow(er)), or \$10,000 (filing status married, filing separate return).

Enter on Line 19b the lesser of the amount reported on Line 19a or the amount next to your filing status from the Maximum Pension Exclusion chart above. The amount on Line 19b should never be

more than the amount on Line 19a. Part-year residents, see page 17.

When you and your spouse file a joint return and only one of you is disabled or 62 years of age or older, you may still claim the maximum pension exclusion. However, only the pension, annuity, or IRA withdrawal of the spouse who is 62 years of age or older or disabled may be excluded.

TAX TIP  If you and/or your spouse were 62 years of age or older on the last day of the tax year and did not use the maximum pension exclusion amount for your filing status, or you did not use the pension exclusion because you did not report any income on Line 19a, you may still qualify for other income exclusions. See the instructions for Line 27, “Other Retirement Income Exclusion.”

Line 19c

Subtract Line 19b from Line 19a and enter the result on Line 19c. If the result is zero, make no entry on Line 19c.

Line 20 - Distributive Share of Partnership Income

Enter on Line 20 your share of income derived from partnership(s) as reported to you by the partnership(s) on Schedule NJK-1, Form NJ-1065. The appropriate amount to enter appears on the schedule in column A of the line labeled “Distributive Share of Partnership Income” and must be reported whether or not the income was actually distributed. If the net amount from all Schedule NJK-1s is zero or less, make no entry. Enclose a copy of each Schedule NJK-1 with your return. For detailed information regarding reporting partnership income, request Tax Topic Bulletin GIT-9P, *Income From Partnerships*.

If any adjustments to the amount reported on Line 20 are necessary, follow the detailed instructions in Tax Topic Bulletin GIT-9P, *Income From Partnerships*.

Line 20 - Distributive Share of Partnership Income - continued

If you did not receive a Schedule NJK-1, you must enclose a copy of the Federal Schedule K-1 and complete Reconciliation Worksheet A contained in Tax Topic Bulletin GIT-9P, *Income From Partnerships*. Be sure to retain the completed worksheet for your records.

Line 21 - Net Pro Rata Share of S Corporation Income

Enter on Line 21 the amount of your net pro rata share of S corporation income, whether or not the income was actually distributed. For detailed information regarding the reporting of S corporation income, request Tax Topic Bulletin GIT-9S, *Income From S Corporations*.

Enclose a copy of the Schedule NJ-K-1, Form CBT-100S, which you received from the S corporation. If you did not receive a Schedule NJ-K-1, you must enclose a copy of the Federal Schedule K-1 and complete Reconciliation Worksheet B contained in Tax Topic Bulletin GIT-9S, *Income From S Corporations*. Be sure to retain the completed worksheet for your records.

Line 22 - Net Gains or Income From Rents, Royalties, Patents, and Copyrights

Enter on Line 22 the amount of net income from New Jersey Schedule C, Line 3. Enclose Schedule C with your return. See page 53.

Line 23 - Net Gambling Winnings

Enter on Line 23 the amount of your net gambling winnings. You may deduct your gambling losses from your winnings that occurred during the same year. **You may not use New Jersey Lottery losses to offset other gambling winnings.** If your net gambling winnings are less than zero, make no entry.

You must be able to substantiate gambling losses used to offset winnings reported on your New Jersey income tax return. Evidence of losses may take

several forms, including a daily log or journal of wins and losses, canceled checks, losing race track pari-mutuel tickets, etc. With respect to winnings or losses resulting from casino gambling, letters from casinos which purport to "rate" the gambling activity of an individual or "estimate" losses are acceptable as **part** of the evidential material required to prove losses.

Remember, do not include any winnings or losses from the New Jersey State Lottery.

Although no specific rider to the New Jersey income tax return is required to substantiate gambling losses, it is suggested that if you enter gambling winnings net of losses on Line 23 of the return, you should note the total winnings and total losses on a supporting schedule. This procedure may eliminate certain questions in the event the return is selected for audit. Although not taxable, New Jersey Lottery winnings and losses should be listed on the supporting schedule.

Line 24 - Alimony and Separate Maintenance Payments Received

Enter on Line 24 the total amount of alimony and separate maintenance payments you received which were required under a decree of divorce or separate maintenance. Do not include payments received for child support.

Line 25 - Other

Enter on Line 25:

Amounts Received as Prizes and Awards. A prize won in a raffle, drawing, television or radio quiz show, contest, or any other event is taxable and must be included on Line 25. Any prizes or awards received in goods or services must be included as income at fair market value.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had

he or she lived, and the income was not included on the decedent's final return, you must report the income on your own return when you receive it. The income is reported on Line 25, "Other" income. Enclose a schedule of the items of income reported together and included on Line 25.

Income From Estates and Trusts. Beneficiaries receiving income from an estate or trust must include on Line 25 the net of the items listed on the Federal K-1 form(s) received. Interest, dividends, capital gains, business or partnership income, etc. as listed on the Federal K-1(s) must be adjusted to reflect New Jersey tax law and then netted together before inclusion on Line 25, "Other" income. Be sure to include income which is not subject to Federal income tax but is subject to New Jersey gross income tax, such as interest from and losses on the disposition of obligations of states and their political subdivisions, other than New Jersey and its political subdivisions, and exclude income and losses not subject to New Jersey tax, such as gains on New Jersey tax-exempt securities.

For tax years beginning on or after January 1, 2004, New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. The Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP instructions explain the New Jersey adjustments required to determine income reportable in the various net income categories. Worksheet GIT-DEP is available on the Division's Web site (www.state.nj.us/treasury/taxation/).

New for 2005 For taxable years beginning on or after December 31, 2004, New Jersey income tax law has uncoupled from some provisions of the IRC Section 199 deduction. Information regarding the New Jersey limitations and calculations can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

Enclose a copy of the Federal K-1(s).

Line 25 - Other Income - continued

If the income from a grantor trust is reportable by or taxable to the grantor for Federal income tax purposes, it is also taxable to the grantor for New Jersey gross income tax purposes. The grantor must report the interest, dividends, capital gains, business income, partnership income, net pro rata share of S corporation income, etc. in the same categories of income as listed on the Federal or New Jersey K-1(s) and not as income from Estates and Trusts. Enclose a copy of the Schedule K-1(s).

Scholarships and Fellowships. Scholarships and fellowship grants are taxable and must be included on Line 25 unless they satisfy all of the following conditions:

- 1. The primary purpose of the grant is to further the recipient's education or training; and
2. The grant neither represents payments for past, present, or future services nor payments for services which are subject to the direction or supervision of the grantor (e.g., a fellowship given in exchange for teaching); and
3. The grant is not for the benefit of the grantor.

Residential Rental Value or Allowance Paid by Employer. Enter on Line 25 either the rental value of a residence furnished by an employer or the rental allowance paid by an employer to provide a home. The rental value of the residence furnished is excludable and should not be reported provided that:

- 1. The lodging is provided on the business premises of the employer; and
2. The lodging is furnished for the convenience of the employer; and
3. The employee is required to accept such lodging as a condition of employment.

Other. Enter on Line 25 the amount of any taxable income for which a place has not been provided elsewhere on the return. Income from sources both legal and illegal is subject to tax.

New for 2005

Worksheet D
Other Retirement Income Exclusion
Age Requirement: 62 or older
Part-year residents, do not complete this worksheet. See instructions on page 17.
Part I
Is your gross income (combined income if filing jointly) for the entire year before subtracting any pension exclusion MORE than \$100,000?
Part II
9. Unclaimed Pension Exclusion (from line 8)
10a. Are you (and/or your spouse if filing jointly) now receiving, or will you (and/or your spouse if filing jointly) ever be eligible to receive Social Security or Railroad Retirement Benefits?
10b. Would you (and your spouse if filing jointly) be receiving or ever be eligible to receive Social Security or Railroad Retirement Benefits if you had participated in either program?
11. Your Other Retirement Income Exclusion

Line 26 - Total Income

Enter on Line 26 the total of Lines 14, 15a, 16, 17, 18, 19c, 20, 21, 22, 23, 24, and 25.

Line 27 - Other Retirement Income Exclusion

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 pension exclusion, and Part II, an exclusion for taxpayers who are unable to receive Social Security or Railroad Retirement benefits. Each part has different eligibility requirements. Use Worksheet D on page 36 to calculate the total exclusion amount you are eligible to claim. If you were a part-year resident, do not complete the worksheet. See page 17.

I. Unclaimed Pension Exclusion. You are eligible to use the unclaimed portion of your pension exclusion on 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; **and**

New for 2005 ◆ Your gross income (combined income if filing jointly) for the entire year before subtracting any pension exclusion was \$100,000 or less; **and**

- ◆ Your income (combined income if filing jointly) from wages, net profits from business, distributive share of partnership income, and net pro rata share of S corporation income totaled \$3,000 or less; **and**
- ◆ You did not use the maximum pension exclusion on Line 19b (your taxable pension, annuity or IRA withdrawal was less than the exclusion amount for your filing status or you did not receive pension, annuity, or IRA withdrawal income).

II. Exclusion for Taxpayers Unable to Receive Social Security or Railroad Retirement Benefits. This benefit is not related to the pension exclusion and, if you qualify, you may claim it whether or not you use the maximum pension exclusion. You qualify for this additional exclusion on 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; **and**
- ◆ You (and your spouse if filing jointly) are unable to receive Social Security or Railroad Retirement benefits, but would have been eligible for benefits had you fully participated in either program.

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 exclusion. However, only the income of the spouse who is age 62 or older may be excluded.

For more detailed information on using the income exclusions on Line 27, request Tax Topic Bulletin GIT-1, *Pensions and Annuities*.

Line 28 - New Jersey Gross Income

Subtract Line 27 from Line 26 and enter the result on Line 28. If less than zero, make no entry.

TAX TIP  **If you were a New Jersey resident for the entire year and your Gross Income on Line 28 is \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), you have no tax liability to New Jersey and no return must be filed. If you are filing a return only to obtain a refund of taxes withheld or estimated payments made, do not complete Lines 29a through 41. Continue completing the return with Line 42. See instructions on page 44.**

NOTE: If you qualify, you may receive a New Jersey earned income tax credit even if you have no tax liability to New Jersey and are not required to file a return. See the instructions for Line 48.

If you are eligible for a 2005 FAIR rebate as a tenant (see page 55), you must also complete the rebate application, Form TR-1040.

You may claim an exemption from withholding if you expect to have no New Jersey income tax liability for the taxable year because your gross income will be less than the minimum income filing threshold. Complete Form NJ-W4 and submit it to your employer to claim the exemption.

If you were a New Jersey resident for only part of the year, see "Guidelines for Part-Year Residents" on page 17.

Exemptions and Deductions (Lines 29a - 34)

New Jersey allows deductions only for exemptions, certain medical expenses, qualified Archer medical savings account (MSA) contributions, health insurance costs of the self-employed, alimony and separate maintenance payments, qualified conservation contributions, and a health enterprise zone deduction for qualified taxpayers. No deduction is allowed for adjustments taken on the Federal return such as employee business expenses, IRA contributions, and Keogh Plan contributions. However, be sure to keep records of all contributions to IRAs and Keogh Plans. You will need this information when you make withdrawals in future years. Part-year residents must follow the guidelines on page 17.

Lines 29a - c - Exemptions

- ◆ **Line 29a.** Enter the number of exemptions from Line 12a. Multiply the number by \$1,000 and enter the result.
- ◆ **Line 29b.** Enter the number of exemptions from Line 12b. Multiply the number by \$1,500 and enter the result.
- ◆ **Line 29c.** Add Lines 29a and 29b together and enter the result.

Line 30 - Medical Expenses

You may deduct certain medical expenses that you paid during the year for yourself, your spouse or domestic partner, and your dependents. However, you cannot deduct expenses for which you were reimbursed. Only expenses in excess of 2% of your income may be deducted. You may also deduct qualified Archer MSA contributions. Use Worksheet E to calculate your deduction for medical expenses/ Archer MSA contributions.

Allowable Medical Expenses. *Medical expenses* means nonreimbursed payments for physicians, dental and other medical fees, prescription eyeglasses and contact lenses, hospital care, nursing care, medicines and drugs, prosthetic devices, X-rays, and other diagnostic services conducted by or directed by a physician or dentist. In addition, medical expenses may also include amounts paid for transportation primarily for and essential to medical care and insurance (including amounts paid as premiums under Part B of Title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care. As a general rule, medical expenses allowed for Federal income tax purposes will be allowed for New Jersey income tax purposes.

NOTE: Do not include on line 1, Worksheet E

- ♦ Contributions you made to an Archer MSA or any amounts paid or disbursed from an Archer MSA that have been excluded from gross income; or
- ♦ Any amounts taken as a deduction on line 5, Worksheet E, for the health insurance costs of the self-employed.

Archer MSA Contributions. Enter on line 4, Worksheet E the amount of your qualified Archer MSA contributions from Federal Form 8853. New Jersey follows the Federal rules for this deduction. Your contribution may not exceed 75% of the amount of your annual health plan deductible (65% if you have a self-only plan). Enclose Federal Form 8853 with your return. Excess contributions that you withdraw before the due date of your tax return are not taxable. However, you

Worksheet E Deduction for Medical Expenses (Keep for your records)	
1. Total nonreimbursed medical expenses	1. _____
2. Enter Line 28, Form NJ-1040 _____ × .02 =	2. _____
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero	3. _____
4. Enter the amount of your qualified Archer MSA contributions from Federal Form 8853	4. _____
5. Enter the amount of your self-employed health insurance deduction	5. _____
6. Total Deduction for Medical Expenses. Add lines 3, 4, and 5. Enter the result here and on Line 30, Form NJ-1040. If zero, enter zero here and make no entry on Line 30, Form NJ-1040	6. _____

must report the earnings associated with the excess contributions you withdraw as wages on Line 14.

Self-Employed Health Insurance Deduction. If you are considered a self-employed individual for Federal income tax purposes, or you received wages in 2005 from an S corporation in which you were a more-than-2% shareholder, you may deduct the amount you paid during the year for health insurance for yourself, your spouse or domestic partner, and your dependents. The amount of the deduction may not exceed the amount of your earned income, as defined for Federal income tax purposes, derived from the business under which the insurance plan is established. You may not deduct any amounts paid for health insurance coverage for any month during the year in which you were eligible to participate in any subsidized health plan maintained by your (or your spouse's or domestic partner's) employer.

Line 31 - Alimony and Separate Maintenance Payments

Enter on Line 31 the amount of alimony and separate maintenance paid which was required under a decree of divorce or separate maintenance. Do not include payments for child support.

Line 32 - Qualified Conservation Contributions

Enter on Line 32 the amount of any contribution you made for conservation purposes of a qualified real property interest in property located in New Jersey. The amount of the deduction is the amount of the contribution allowed as a deduction in computing your taxable income for Federal income tax purposes. If you are required to file Federal Form 8283 with your Federal Form 1040, enclose a copy.

Line 33 - Health Enterprise Zone Deduction

New for 2005 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) enter the amount of their HEZ deduction on Line 33. Partners and S corporation shareholders of a qualified practice enter the HEZ deduction amount listed on Schedule NJK-1, Form NJ-1065, or Schedule NJ-K-1, Form CBT-100S. Sole proprietors must calculate the amount of their HEZ deduction for Line 33. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin TB-56, Health Enterprise Zones, which is available on the Division's Web site (www.state.nj.us/treasury/taxation/).

Line 34 - Total Exemptions and Deductions

Enter on Line 34 the total of Lines 29c, 30, 31, 32, and 33.

Line 35 - Taxable Income

Subtract Line 34 from Line 28 and enter the result on Line 35. If Line 35 is zero or less, make no entry.

Property Tax Deduction/Credit (Lines 36 and 46)

Eligible homeowners and tenants who pay property taxes, either directly or through rent, qualify for either a deduction or a refundable credit.

The property tax **deduction** reduces your taxable income. Therefore, the tax benefit varies depending on the amount of your taxable income, the amount of your property taxes or rent, and your filing status. To determine the actual tax benefit you will receive (how much you will reduce your tax liability) when claiming a property tax deduction, you must calculate your tax liability both with a deduction and without a deduction. The property tax **credit** reduces your tax due. The credit increases the total payments and/or credits on Line 51, Form NJ-1040. These payments and/or credits are subtracted directly from your tax liability. Taxpayers who do not reduce their tax liability by \$50 or more (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse) when claiming the property tax deduction should claim the property tax credit instead.

For recorded information on the property tax deduction/credit, call our automated TaxTalk service from a Touch-tone phone at 1-800-323-4400 (toll-free within New Jersey, New York, Pennsylvania, Delaware, and Maryland) or 609-826-4400.

Eligibility Requirements. To be eligible for a property tax deduction **or** property tax credit:

- ◆ You must have been domiciled and maintained a principal residence as a homeowner or tenant in New Jersey during 2005; and
- ◆ Your principal residence, whether owned or rented, must be subject to local property taxes, and property taxes must have been paid on that residence either as actual property taxes or through rent; and
- ◆ Your rented dwelling must have its own separate kitchen and bath facilities; and
- ◆ Your gross income on Line 28 is more than \$20,000 (\$10,000 if filing status is single or married, filing separate return), **or** you (and/or your spouse if filing jointly) were 65 years of age or older or blind or disabled on the last day of the tax year.

Taxpayers who were not 65 years of age or older or blind or disabled on December 31, 2005, with gross income of \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), are not eligible for a property tax credit.

Principal Residence. A principal residence means a homestead, either owned or rented, actually and continually occupied as your permanent residence. No property tax deduction or credit is allowed for a vacation home, a "second home," or property which the owner rents to someone else.

Homeowners. You may claim a property tax deduction or credit for the home in New Jersey that you owned and lived in as your principal residence provided it was subject to local property taxes. Both single family homes and certain multi-family homes qualify.

Multi-Unit Properties. As a homeowner, you may claim a property tax deduction or credit on your property only if it contains four units or less. Of these four units, only one may be used for commercial purposes.

Condominiums and Co-ops. A condominium unit or a unit in a cooperative housing complex or mutual housing corporation is considered a single-family dwelling for purposes of the property tax deduction or credit.

Continuing Care Communities. As a resident in a continuing care retirement community, you may qualify for a property tax deduction or credit as a homeowner if the continuing care contract requires you to bear the proportionate share of property taxes attributable to your unit.

Disabled Veterans. Totally and permanently disabled veterans who have a 100% exemption from local property taxes are **not** eligible for a property tax deduction or credit. If any portion of the dwelling is rented to a tenant and property taxes are paid by the disabled veteran owner on the rented portion, any tenant may be eligible for a property tax deduction or credit, but the property owner is not eligible.

P.I.L.O.T. Payments. Homeowners who made P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments to their municipality are not eligible for a property tax deduction or credit. These payments are not considered property taxes for deduction or credit purposes.

Life Tenancy. You are also a homeowner if you have life tenancy rights or hold a lease for 99 years or more.

Tenants. You may claim a property tax deduction or credit for a home or apartment you rented in New Jersey and lived in as your principal residence, provided that the building is subject to local property taxes and your dwelling unit contains its own separate kitchen and bathroom. You do not qualify for a property tax deduction or credit if you share a kitchen or bathroom with others in the building.

Mobile Homes. If you own a mobile home which is located in a mobile home park, you qualify for a property tax deduction or credit as a tenant. For more information on mobile homes, contact the New Jersey Division of Taxation Customer Service Center.

Tax-Exempt, Subsidized, and Campus Housing. Tenants living in dwellings which are not subject to local property taxes are not eligible for a property tax deduction or credit. This includes: tenants living in tax-exempt housing or other dwellings owned by the State, County, Municipal, or Federal government; students living in on-campus apartments at State colleges and universities; tenants living in dwellings owned by religious, charitable, or other nonprofit organizations (including on-campus apartments at private nonprofit colleges and universities), if the property is exempt from local property taxes; and tenants who lived in a dwelling on which P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments were made to the municipality.

Do not enter a figure on Line 36 or Line 46 of the tax return if the dwelling you rent is not subject to local property taxes. If you are not sure whether the dwelling you rent is subject to local property taxes, contact your municipal tax assessor for information. The Division of Taxation audits returns to ensure that only qualified applicants claim the property tax deduction or the property tax credit.

Seniors or Blind/Disabled Persons. If either you or your spouse were 65 years of age or older or blind or disabled on the last day of the tax year, and your gross income on Line 28 is \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), and you satisfy the eligibility requirements, you qualify for a property tax credit in the amount of \$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse).

If you are eligible for a property tax credit, and you:

- ♦ **Are eligible for a FAIR rebate,** file your completed FAIR rebate application and your credit will automatically be sent to you with your rebate. If you are filing Form NJ-1040, **do not** complete Line 36 to claim a property tax deduction **or** Line 46 to claim a property tax credit.
- ♦ **Are not eligible for a FAIR rebate** because on October 1, 2005, you were neither a homeowner nor a tenant, you may complete Form NJ-1040 and claim the property tax credit on Line 46.

Line 36 - Property Tax Deduction

If you satisfied the eligibility requirements on page 39, you may deduct 100% of property taxes due and paid **or** \$10,000, whichever is less. For tenants, 18% of the rent paid during the year is considered property taxes paid.

If you are eligible for a property tax benefit, and you:

- ♦ **Are not** claiming credit for taxes paid to other jurisdictions, complete Schedule 1 on page 41 to determine the amount of your property tax deduction and whether you should elect to take the property tax credit on Line 46 instead of the deduction on Line 36.
- ♦ **Are** claiming credit for taxes paid to other jurisdictions, do not complete Schedule 1. Complete Schedule A and Worksheet F to determine whether you will receive a greater tax benefit by taking the property tax deduction or the property tax credit. See the instructions for Schedule A on page 48.

If you are not eligible for a property tax benefit, make no entry on Lines 36 or 46 and continue completing the return with Line 37.

Line 1 - Property Tax/Rent

Enter on Line 1 your property taxes (or 18% of rent) due and paid during 2005 on your qualified residence.

TAX TIP



Property Tax Reimbursement (Senior Freeze) Applicants.

If you are eligible for a property tax reimbursement for 2005 and file your application on Form PTR-1, enter on Line 1 the amount of your **2004 property taxes** as reported on Line 14 of your 2005 Property Tax Reimbursement Application, Form PTR-1. (For mobile home owners this is 18% of 2004 site fees.)

If you are eligible for a property tax reimbursement for 2005 and file your application on Form PTR-2, enter on Line 1 the amount of your base year property taxes as reported on Line 11 of your 2005 Property Tax Reimbursement Application, Form PTR-2. (For mobile home owners this is 18% of base year site fees.)

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

Married, Filing Separate Return. If your filing status is married, filing separate return and you and your spouse maintain the same principal residence, enter on Line 1 one-half of the property taxes (or 18% of rent) due and paid. Also see Note under Line 2.

Multiple Residences, Owners, Units, or Tenants. Complete Schedule 1-A before completing Line 1, Schedule 1 if:

- ◆ You lived in more than one qualifying New Jersey residence during 2005; or
- ◆ You shared ownership of a principal residence during the year with anyone other than your spouse; or

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 above.** (Complete Schedule 1-A on page 43 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. _____

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 page 42.**

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 (Go to Tax Table or Tax Rate Schedules and enter amount)

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 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 on page 17 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 on page 17. |

Schedule 1 - continued

- ◆ A principal residence you owned during the year consisted of multiple units; or
- ◆ Anyone other than your spouse occupied and shared rent with you for an apartment or other rental dwelling unit; or
- ◆ You were both a homeowner and a tenant during the year.

If you were a homeowner, enter the amount from Line 4, Schedule 1-A on Line 1, Schedule 1. If you were a tenant, enter 18% of the amount from Line 8, Schedule 1-A on Line 1, Schedule 1. If you were both a homeowner and a tenant during the year, add the amount from Line 4, Schedule 1-A and 18% of the amount from Line 8, Schedule 1-A and enter the total on Line 1, Schedule 1.

If you lived for part of the year in a residence that did not meet the eligibility qualifications on page 39, you are not eligible to receive a property tax deduction or a property tax credit for the period of time you lived in that residence. However, if you moved during the year and lived for part of the year in a residence that qualifies, complete Schedule 1-A for the qualified residence only. Do not list any information pertaining to the nonqualified residence.

Part-Year Residents. A part-year resident who meets the qualifications is eligible for a property tax deduction or credit. Complete Schedule 1 and enter on Line 1 the total amount of property taxes (or 18% of rent) due and paid during your period of residence (see page 17).

NOTE: Part-year residents must complete Schedule 1-A **only** if one or more of the conditions on page 41 apply.

Line 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.

NOTE: If your filing status is married, filing separate return and you and your spouse maintain the same principal residence, and Line 1 is \$5,000 or more, enter \$5,000 on Line 2. If Line 1 is less than \$5,000 enter the amount from Line 1.

Line 3 - Taxable Income

For each column, enter on Line 3, Schedule 1 the amount from Line 35, Form NJ-1040.

Line 4 - Property Tax Deduction

Enter on Line 4, Column A the amount from Line 2, Schedule 1.

Line 5 - Taxable Income After Property Tax Deduction

For each column, subtract Line 4 from Line 3 and enter the result on Line 5.

Line 6 - Tax on Line 5

For each column, enter on Line 6 the amount of tax on the income shown on Line 5. Use the Tax Table on page 61 or the Tax Rate Schedules on page 70 to calculate the amount of tax.

Lines 7 and 8 - Deduction/Credit Determination

To determine whether a property tax deduction or a property tax credit is more beneficial to you, subtract Line 6, Column A from Line 6, Column B and enter the result on Line 7. **Part-year residents see instructions on page 17 before continuing.** If Line 7 is \$50 or more (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse), you will receive a greater benefit by taking the property tax deduction. If Line 7 is less than \$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse), you will receive a greater benefit by taking the property tax credit. Follow the instructions on Schedule 1 for completing Lines 36, 37, 38, and 46, Form NJ-1040.

Schedule 1-A					
PART I: HOMEOWNERS					
Principal residences you owned in New Jersey during 2005					
Address	(1) Number of days in 2005 in this residence as an owner	(2) Share of property owned by you (and your spouse)	(3) Share of property used as your principal residence	(4) Total property taxes paid on this property for this period	(5) Your share of property taxes paid on this property for this period
1.					
2.					
3.					
4. Your share of total property taxes paid in 2005 for your principal residences (total of Column 5) Use this amount to complete either Line 1, Schedule 1 or Box 5a, Line 5, Schedule A.					
PART II: TENANTS					
Principal residences you rented in New Jersey during 2005					
Address	(1) Number of days in 2005 in this residence as a tenant	(2) Total number of tenants who shared the rent	(3) Total rent paid by all people living in this residence during this period	(4) Total rent paid by you (and your spouse) for this residence during this period	
5.					
6.					
7.					
8. Your share of total rent paid in 2005 for your principal residences (total of Column 4) Use 18% of this amount to complete either Line 1, Schedule 1 or Box 5a, Line 5, Schedule A.					

Part I - Homeowners
Principal Residences Owned in New Jersey (Lines 1-3)

List the address of each New Jersey residence you owned and occupied as your principal residence during 2005. Complete Column 1 through Column 5 for each address.

If you were **both** an owner and a tenant at the same address, enter the required information in **both** Part I and Part II.

Column 1
Enter the number of days you owned and occupied this home as your principal residence in 2005. If this was your residence for all of 2005, enter 365. The total number of days in Part I and Part II may not exceed 365.

Column 2
Enter the share (percentage) of this residence you (and your spouse) own(ed). Enter this figure as a decimal (e.g., if the share is 50%, enter 0.50). If you (and your spouse) were the sole owner(s), enter 1.00.

Column 3
If this property consists of more than one unit, indicate the share (percentage) of the property used as your principal residence. Enter this figure as a decimal (e.g., enter 25% as 0.25).

Column 4
Enter the total property taxes paid on this property during 2005 for the period indicated in Column 1.

Column 5
Multiply the decimal in Column 3 by the property tax amount in Column 4. If there is no figure in Column 3, use the decimal in Column 2. Enter the result in Column 5.

For example, total property taxes paid were \$2,000, Column 2 is 1.00, and Column 3 is 0.50. The calculation for Column 5 is $0.50 \times \$2,000 = \$1,000$.

Line 4 - Property Taxes
Add your share of property taxes paid in Column 5, Lines 1 through 3, and enter the total on Line 4.

Schedule 1-A - continued

Part II - Tenants

Principal Residences Rented in New Jersey (Lines 5-7)

List the address of each New Jersey residence you rented and occupied as your principal residence during 2005. Complete Column 1 through Column 4 for each address.

If you were **both** an owner and a tenant at the same address, enter the required information in **both** Part I and Part II.

Column 1

Enter the number of days you rented and occupied this home as your principal residence in 2005. If this was your residence for all of 2005, enter 365. The total number of days in Part I and Part II may not exceed 365.

Column 2

If you lived with someone (other than your spouse) and shared the rent with them, enter the total number of tenants who shared the rent (including yourself). For this purpose you and your spouse are considered one tenant.

Column 3

Enter the total amount of rent paid by all tenants (including yourself) during 2005 for the period indicated in Column 1.

Column 4

Divide the amount in Column 3 by the number in Column 2, and enter the result in Column 4.

Line 8 - Rent

Add your share of rent paid in Column 4, Lines 5 through 7, and enter the total on Line 8.

ALL PROPERTY TAX RELIEF PROGRAM INFORMATION IS SUBJECT TO CHANGE

2005 Form NJ-1040 Line-by-Line Instructions

Line 37 - New Jersey Taxable Income

Subtract Line 36 from Line 35. If zero or less, make no entry.

Line 38 - Tax on Amount on Line 37

Compute your tax by using one of the following methods.

Tax Table. If your New Jersey taxable income is less than \$100,000, you may use the New Jersey Tax Table on page 61 or the New Jersey Tax Rate Schedules on page 70 to find your tax. When using the tax table, be sure to use the correct column. After you have found your tax, enter the amount on Line 38.

Tax Rate Schedules. You must use the New Jersey Tax Rate Schedules on page 70 if your New Jersey taxable income is \$100,000 or more. Use the correct schedule for your filing status. After you have calculated your tax, enter the amount on Line 38.

Line 39 - Credit for Income Taxes Paid to Other Jurisdictions

To determine the amount of your credit for taxes paid to other jurisdictions, complete Schedule A and, if necessary, Worksheet F. Enter on Line 39 the amount of credit allowed. If you are not eligible for a property tax benefit, enter the amount from Line 9, Column B, Schedule A(s). If you are claiming a property tax deduction or credit, follow the instructions on Worksheet F.

The credit on Line 39 may not exceed your tax on Line 38. Enclose Schedule A(s) with your return. See the instructions for Schedule A on page 48.

Line 40 - Balance of Tax

Subtract Line 39 from Line 38 and enter the result on Line 40.

Line 41 - Balance of Tax

Enter on Line 41 the balance of tax from Line 40, page 2.

Line 42 - Use Tax Due on Out-of-State Purchases

If you were a New Jersey resident and you purchased items or services that were subject to New Jersey sales tax, you are liable for the use tax at the rate of 6% of the purchase price if sales tax has not been paid. If sales tax has been collected out of State, use tax is only due if the tax was paid at a rate less than 6%, based on the difference.

For example:

- ◆ You purchased a computer over the Internet for \$1,500 from a seller located outside of New Jersey and no sales tax was collected. Your use tax liability to New Jersey on this item is \$90 ($\$1,500 \times .06 = \90).
- ◆ On a trip to Maine you purchased an antique desk for \$4,000 and paid Maine sales tax at the rate of 5%. The difference, \$40 (1% of the purchase price), is due to New Jersey as use tax.


Individual taxpayers report and remit use tax by either completing and filing the Use Tax Return (Form ST-18) within 20 days after property is brought into New Jersey or by reporting any use tax due on Line 42 of their resident income tax return, Form NJ-1040.

continued

Line 42 - Use Tax Due on Out-of-State Purchases - continued

Estimated Use Tax Chart (for Step 1 computation only)	
If your New Jersey gross income is:	Use Tax
up to \$15,000	\$ 6
\$15,001 - \$30,000	18
\$30,001 - \$50,000	26
\$50,001 - \$75,000	34
\$75,001 - \$100,000	43
\$100,001 - \$150,000	54
\$150,001 - \$200,000	69
\$200,001 and over0345% (.000345) of income, or \$200, whichever is less.

Form ST-18 is provided in this booklet for your convenience (in the center of the booklet with other tax forms). You may photocopy Form ST-18 and use it to remit use tax throughout the year.

TAX TIP  If you owe use tax and are remitting it with Form NJ-1040, compute the amount of use tax due as follows:

Step 1

Items or services costing less than \$1,000 each. If you know the amount of your purchases in this category, calculate the exact amount of use tax due by multiplying your total purchases by 6% (.06). **OR,** if you have incomplete or inaccurate receipts for your purchases, you may use the Estimated Use Tax Chart to estimate the amount of use tax due.

NOTE: Using the Estimated Use Tax Chart to determine the amount of use tax you report on Line 42 does not preclude the Division of Taxation from auditing your account. New Jersey does have access to records maintained by out-of-State businesses, and if additional tax is due, you may receive an assessment for the amount of use tax owed, plus applicable penalties and interest.

Step 2

Items or services costing \$1,000 or more each. You must calculate the exact amount of use tax due on all purchases in this category.

Step 3

Total use tax due. Add the amounts determined in Steps 1 and 2. Enter the result on Line 42, Form NJ-1040.

If you do not owe use tax, you must enter "0.00" on Line 42.

Line 43 - Penalty for Underpayment of Estimated Tax

To determine the amount of interest for the underpayment of estimated tax, complete Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts. Enter on Line 43 the amount of interest due from line 19, Form NJ-2210. Be sure to fill in the oval below Line 43 and enclose Form NJ-2210 with your return. See "Estimated Tax" on page 22.

Line 44 - Total Tax and Penalty

Enter on Line 44 the total of Lines 41, 42, and 43.

Line 45 - Total New Jersey Income Tax Withheld

Enter on Line 45 the total New Jersey income tax withheld, as shown on your W-2, W-2G, and/or 1099-R statement(s). The W-2 must indicate the amount of New Jersey tax withheld and the "State" box must indicate that the tax withheld was New Jersey income tax. See sample W-2 on page 28. Enclose the state copy of each withholding statement (W-2, W-2G, 1099-R). **Enclose Form 1099-R with the return only if New Jersey income tax was withheld.**

Do not include on Line 45 amounts withheld as New Jersey unemployment insurance/health care subsidy fund/workforce development partnership fund contributions (shown on the W-2 as UI/HC/WD, if combined, or UI, HC, and WD if stated separately) or New Jersey disability in-

surance contributions (may be shown as DI). These are **not** New Jersey income tax withholdings and may not be used as credits on Line 45. See instructions for Lines 49 and 50 for more information on excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and/or disability insurance contributions.

All W-2 statements must reflect your correct social security number for the withholdings to be credited. If the social security number is missing or incorrect, you must obtain a corrected W-2 from your employer. Only your employer/payer can issue or correct this form. If you have not received a W-2 form by February 15, 2006, or if the form you received is incorrect, contact your employer/payer immediately.

Line 46 - Property Tax Credit

If you satisfied the eligibility requirements (see page 39) and you did not claim a property tax deduction on Line 36, you qualify for a property tax credit.

Do not complete Line 46 if:

- ♦ You claimed a property tax deduction on Line 36; or
- ♦ Your gross income on Line 28, Form NJ-1040 is \$20,000 or less (\$10,000 if filing status is single or married, filing separate return).

NOTE: If you are 65 years of age or older or blind or disabled, and you are not required to file Form NJ-1040 because your gross income on Line 28 is \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), and you satisfy the eligibility requirements, you qualify for a property tax credit in the amount of \$50 (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse). See "Seniors or Blind/Disabled Persons" on page 40 before completing Line 46.

Line 47 - New Jersey Estimated Payments/Credit From 2004 Tax Return

Enter on Line 47 the total of:

- ♦ Estimated tax payments made for 2005 (See "Estimated Tax" on page 22)
- ♦ Credit applied from your 2004 tax return*
- ♦ Amount, if any, paid to qualify for an extension of time to file

*This is the amount of overpayment that you chose to carry forward on Line 52 of your 2004 NJ-1040 (or Line 1 of the "Deductions From Overpayment" section of your 2004 NJ-1040EZ) as a credit towards your income tax liability for 2005. If you received a refund check for 2004, do not enter the amount of that refund check on Line 47.

Payments Made Under Another Name or Social Security Number. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, enclose a statement with your return explaining all the payments you and/or your spouse made for 2005 and the name(s) and social security number(s) under which you made payments.

If your spouse died during the year and any estimated payment(s) were made under the deceased spouse's social security number and other payments were made under your social security number, you must enclose a statement with your return listing the social security numbers and the amounts submitted under each social security number.

New Jersey Earned Income Tax Credit (Line 48)

The New Jersey earned income tax credit is a credit for certain taxpayers who work and have earned income. 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. 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.

You must file a New Jersey resident income tax return to receive a New Jersey earned income tax credit, even if you are not required to file a return because your gross income is below the minimum income filing threshold.

You are allowed a credit in the amount of 20% of your Federal earned income 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 New Jersey gross income on Line 28, Form NJ-1040 is \$20,000 or less (part-year residents see below); and
- ♦ You have at least one "qualifying child" for purposes of the Federal earned income credit.

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

Part-Year Residents. If you were a New Jersey resident for only part of the taxable year, and your gross income for the

entire year from all sources was \$20,000 or less, you may qualify for a New Jersey earned income tax credit if you meet the other eligibility requirements. The amount of your credit must be prorated based upon the number of months you were a New Jersey resident. For this calculation 15 days or more is a month.

Line 48 - New Jersey Earned Income Tax Credit

If you satisfy the eligibility requirements above, complete the Earned Income Tax Credit Schedule on page 3 of Form NJ-1040 to calculate the amount of your New Jersey earned income tax credit.

Completing the Earned Income Tax Credit Schedule

Line 1. If you filed a 2005 Federal Schedule EIC on which you listed at least one "qualifying child," fill in the "Yes" oval. You must list on Line 13 the name, social security number, and birth year of any "qualifying child" listed on your Federal Schedule EIC who is not claimed as your dependent for New Jersey purposes.

If you did not file a 2005 Federal Schedule EIC or if you did not have a qualifying child, fill in "No." You are not eligible for a New Jersey earned income tax credit.

Line 2. If you asked the Internal Revenue Service to calculate your Federal earned income credit, fill in the oval at Line 2.

The IRS will provide information regarding Federal earned income credit recipients 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.

Line 3. Enter the amount of your Federal earned income credit from your 2005 Federal Form 1040 or Form 1040A.

Line 4. Enter 20% of your Federal earned income credit.

Federal Earned Income Credit \times .20 = Line 4

Enter the amount from Line 4 of the Earned Income Tax Credit Schedule on Line 48, Form NJ-1040.

Who Offers Quality, Free or Low-Cost Health Insurance to NJ's Kids?

We Do.

NJ FAMILYCARE
Affordable health coverage. Quality care.

1-800-701-0710
Department of Human Services
State of New Jersey

For uninsured kids and teens age 18 and under
TTY: 1-800-701-0720
www.njfamilycare.org

**UI/HC/WD; DI Credit
(Lines 49 and 50)**

You may take credit for excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and/or disability insurance contributions withheld by two or more employers. For 2005, the maximum employee unemployment insurance/health care subsidy fund/workforce development partnership fund contribution was \$105.83, and the maximum employee disability insurance contribution was \$124.50. If you had two or more employers and you contributed more than the maximum amount(s), you must enclose a completed Form NJ-2450 with your return to claim the credit.

If any single employer withheld more than the maximum for either UI/HC/WD (\$105.83) or disability insurance (\$124.50) contributions, enter only the maximum amount for that category on Form NJ-2450. You must contact the employer who withheld contributions in excess of the legal maximum for a refund.

All information on Form NJ-2450 must be substantiated by W-2 statements or the claim will be denied. The amounts of unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and disability insurance contributions withheld must be reported separately on all W-2 statements. The employer's New Jersey taxpayer identification number **or** approved private plan number must also be shown. See sample W-2 on page 28.

Be careful when completing Form NJ-2450 and check that your W-2 verifies the information you provide. If **all** New Jersey Department of Labor and Workforce Development requirements are not met, your income tax credit must be denied. You must then refile your claim with the Department of Labor and Workforce Development using their Form UC-9A, "Employee's Claim for Refund of Excess Contributions." Once your income tax credit for excess unemployment insurance/health care subsidy fund/workforce development partnership

fund contributions and/or disability insurance contributions has been denied, it can **only** be claimed through the Department of Labor and Workforce Development.

**Line 49 - Excess New Jersey
UI/HC/WD Withheld**

Enter on Line 49 the excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions withheld from Line 4 of Form NJ-2450. Enclose Form NJ-2450 with your return.

**Line 50 - Excess New Jersey
Disability Insurance Withheld**

Enter on Line 50 the excess disability insurance withheld from Line 5 of Form NJ-2450. Enclose Form NJ-2450 with your return.

**Line 51 - Total Payments and
Credits**

Add Lines 45 through 50 and enter the result on Line 51.

**Amount You Owe or
Overpayment (Lines 52
and 53)**

Compare Lines 51 and 44.

- ♦ If Line 51 is less than Line 44, you have a balance due. Complete Line 52.
- ♦ If Line 51 is more than Line 44, you have an overpayment. Complete Line 53.

Line 52 - Amount You Owe

Subtract Line 51 (Total Payments/Credits) from Line 44 (Total Tax and Penalty) and enter the result on Line 52.

If you have a balance due, you may make a donation on Lines 55, 56, 57, 58, 59, and/or 60 by adding the amount of your donation to your payment.

Make your check or money order for the total amount payable to "State of New Jersey – TGI."

You may pay your 2005 New Jersey income taxes by electronic check (e-check) or credit card (Visa, American Express, MasterCard, or Discover). See "How to Pay" on page 20. Fill in the oval below Line 52 if you are paying by e-check or credit card. Do not send in the payment voucher if you pay your taxes by e-check or credit card.

NOTE: If the amount of tax you owe (Line 52) is more than \$400, you may want to increase your estimated payments or contact your employer for Form NJ-W4 to increase your withholdings to avoid future interest assessments.

**Line 53 - Amount of
Overpayment**

Subtract Line 44 (Total Tax and Penalty) from Line 51 (Total Payments/Credits) and enter the result on Line 53.

Remember—

- ♦ If you are completing Schedules A, B, or C, see the following pages.
- ♦ If you are not required to file a New Jersey Resident Income Tax Return (Form NJ-1040) and you do not qualify for a New Jersey earned income tax credit, but you qualify for a FAIR tenant rebate and a property tax credit, only file the FAIR tenant rebate application.
- ♦ If you are a tenant completing a 2004 FAIR Tenant Rebate Application, Form TR-1040, see page 55.
- ♦ **Do not staple, paper clip, or tape any documents to the tax return. Also do not staple or tape the return pages together.**

Line 54 - Credit to Your 2006 Tax

Enter on Line 54 the amount of your overpayment that you wish to credit to your 2006 tax liability.

Contributions (Lines 55 - 60)

Whether you have an overpayment or a balance due, you may make a donation to any of the following funds:

- ♦ Endangered Wildlife Fund
- ♦ Children's Trust Fund
- ♦ Vietnam Veterans' Memorial Fund
- ♦ Breast Cancer Research Fund, or
- ♦ *U.S.S. New Jersey* Educational Museum Fund.

You may also make a donation to one of the following funds on Line 60:

- ♦ Drug Abuse Education Fund (01); or
- ♦ Korean Veterans' Memorial Fund (02); or

- ♦ Organ and Tissue Donor Awareness Education Fund (03); or
- ♦ NJ-AIDS Services Fund (04); or
- ♦ Literacy Volunteers of America – New Jersey Fund (05); or
- ♦ New Jersey Prostate Cancer Research Fund (06).

For more information on the funds, see page 5.

Indicate the amount you want to contribute by checking the appropriate box(es) or entering any amount you wish to contribute.

If you are making a donation on Line 60, also enter the code number (01, 02, 03, 04, 05, or 06) for the fund of your choice. For your convenience, "0" is already entered.

The amount you donate will reduce your refund or increase your balance due. Be sure to enter an amount when making a contribution.

If you are making a donation on Line 55, 56, 57, 58, 59, and/or 60, and you have a balance due, increase the amount of your payment by the amount you wish to contribute. If you are paying your tax due by check and including a donation, your check or money order must be made out to "State of New Jersey – TGI," not to the charity or charities you selected. Your donation will be deposited in the appropriate fund(s) when your return is processed.

Line 61 - Total Deductions From Overpayment

Add any amounts on Lines 54, 55, 56, 57, 58, 59, and/or 60. Enter the result on Line 61.

Line 62 - Refund

Subtract Line 61 from Line 53 (Overpayment). Enter the result on Line 62. This is the amount of your refund.

2005 Schedules A, B, and C

Schedule A - Taxes Paid to Other Jurisdiction

Schedule A provides taxpayers who are eligible for a property tax benefit with a method for calculating the credit for taxes paid to another jurisdiction both with and without the property tax deduction. If you are eligible to receive a property tax deduction/credit you must complete Schedule A for each jurisdiction for which you are claiming a credit for taxes paid. Then you must complete Worksheet F on page 50 to determine whether you receive a greater benefit from claiming the property tax deduction or taking the property tax credit.

If you are claiming a credit for taxes paid to another jurisdiction but you are not eligible for a property tax benefit (see page 39 for eligibility requirements), only complete Column B of Schedule A. Enter the amount from Line 9, Column B on

Line 39, Form NJ-1040. Make no entry on Lines 36 or 46, Form NJ-1040.

Requirements. As a New Jersey resident, you may be eligible for a tax credit against your New Jersey income tax if you have income from sources outside New Jersey. To qualify, your income must be subject to **both** the New Jersey income tax and the income or wage tax imposed by another jurisdiction outside of New Jersey for the same year. For this purpose, "jurisdiction" means any state of the United States or political subdivision of such state, including the District of Columbia. **Pennsylvania residents see page 50.** Thus, no credit is permitted for taxes paid to the U.S. Government, Canada, Puerto Rico, or any foreign country or territory.

To receive the credit for taxes paid to another jurisdiction you must:

1. Complete Schedule A in its entirety; and

2. Enclose Schedule A with your NJ-1040 income tax return. If you are claiming credit for income or wage taxes paid to more than one jurisdiction, you may have to complete and enclose a separate Schedule A for each jurisdiction (see "Income Taxed by More Than One Jurisdiction" on page 49).

You must complete Schedule A to calculate the credit. Then, if you are eligible for a property tax deduction/credit, you must also complete Worksheet F on page 50 to determine whether you will receive a greater tax benefit by taking the Property Tax Deduction on Line 36 or the Property Tax Credit on Line 46.

Line 1 - Income Actually Taxed by Other Jurisdiction

Enter on Line 1 the amount of income you received during the year which was actually taxed by the other jurisdiction.

Schedule A - continued

Also enter the name of the taxing jurisdiction in the space provided. The amount on Line 1 must be the amount of income which was actually taxed by the other jurisdiction. This means the gross income after adjustments have been made by the other jurisdiction but before personal exemptions and standard and/or other itemized deductions are subtracted. Any income included on Line 1 of Schedule A must also be included on Line 2 since to be eligible for the credit, the income must be taxed by **both** New Jersey and the other jurisdiction.

Include on Line 1 only amounts properly taxable by the other jurisdiction. In general, this includes compensation for services performed; net profits from a business, trade, or profession carried on in the other jurisdiction; S corporation income allocated to the other jurisdiction; or income or gains from the ownership or sale of real or personal property in the other jurisdiction.

Amounts received as interest, dividends, gains on sale of securities, and other income from intangible personal property such as savings accounts, stocks, bonds, and other securities, cannot be included on Line 1 unless (1) the income was derived from a business, trade, or profession carried on in the other jurisdiction, or (2) you are required to and file a resident return with the other jurisdiction as well as with New Jersey and report the income on both returns.

Do **not** include on Line 1:

- ♦ Income which is not subject to New Jersey income tax (even though the item(s) may be subject to tax by the other jurisdiction, e.g., unemployment compensation).
- ♦ Income which has been excluded or deducted in arriving at the income actually taxed in the other jurisdiction. Items such as IRA and Keogh contributions, employee business expenses, moving expenses, and alimony, if allowed as adjustments to income, would have been deducted from gross income.
- ♦ Income subject to tax by any foreign country, U.S. possession, or territory.

NOTE: New Jersey does not require that a copy of the income tax return(s) filed with the other jurisdiction(s) be enclosed with Form NJ-1040. However, you should retain complete copies of any returns filed with other jurisdiction(s). If your return is audited, you will be asked to provide:

- a) A complete copy of the income tax return(s) filed with the other jurisdiction(s) — if one was filed or required to be filed. If you filed electronically in the other jurisdiction, a copy of the Electronic Filing Income Tax Return *along with* schedules, worksheets, etc. which establish the nature and source of the income being taxed by the other jurisdiction must be submitted.
- b) If you participated in a composite return filed in another jurisdiction, you must submit a statement, on the filing entity's letterhead, that lists the jurisdiction, your share of the gross income taxed by the other jurisdiction, and your share of the tax paid.
- c) If no return is required to be filed with the other jurisdiction, you must submit the following as applicable:
 - ♦ W-2 which lists the wage taxes paid and the name of the taxing jurisdiction.
 - ♦ A statement from the business entity which filed a tax return based on income that lists your share of the gross income taxed by the other jurisdiction, the name of the tax, and your share of the tax paid.

- ♦ If you are required to file a resident return in the other jurisdiction, any amount of S corporation income allocated to New Jersey.

Income Taxed by More Than One Jurisdiction. Income can only be reported once on Schedule A. When you pay tax to two jurisdictions on the same income, and the amount of income taxed by each jurisdiction is the same, complete only *one* Schedule A. When you pay tax to two jurisdictions on the same income and the amount of income taxed by each jurisdiction differs, you may be eligible to claim two credits. The first credit is based on the amount of income taxed by both jurisdictions, and the second credit is based only on the difference between the amounts taxed by the two jurisdictions.

For example, New Jersey taxed \$150,000 in business income of a business in city Y located in state Z. Both city Y and state Z taxed the business income. If state Z imposed \$8,200 tax on \$120,000 of income, and city Y imposed \$5,600 tax on \$140,000 of income, complete two Schedule As. Line 1, Schedule A of the first credit calculation will be \$120,000 (the amount of income taxed by both city Y and state Z). To determine the credit available on the \$120,000 which was

jointly taxed, add together and enter in Box 9a, Line 9 the taxes paid to state Z (\$8,200) and the portion of the city Y tax on \$120,000 (\$4,800). (Do not use \$5,600 for the amount of city Y tax, since that is the tax paid on \$140,000 of income.) Compare the allowable credit calculated on Line 8, Schedule A to the amount in Box 9a (\$13,000). The credit allowed is the lesser of Line 8 or Box 9a. For the second Schedule A, the amount on Line 1 is \$20,000. This is the difference between the amount taxed by both city Y and state Z (\$120,000) on which a credit has already been calculated, and the amount taxed by city Y (\$140,000).

NOTE: When calculating the credit for income taxed by more than one jurisdiction and the actual tax paid to the other jurisdiction is less than the allowable credit, enter on Line 9, Box 9a of each Schedule A **only** the tax paid on the amount of income entered on Line 1. In the example above, Line 9, Box 9a of the second Schedule A would show \$800, the tax paid to city Y on \$20,000 of income, not \$5,600, the tax paid on \$140,000 of income.

Income From New York. New Jersey residents working in or earning taxable income from New York are often taxed on an amount less than their actual income earned in New York due to the

continued

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

		COLUMN A		COLUMN B	
1. Tax. Enter amounts from Line 7, Schedule A, Columns A and B here	1.			1.	
2. Credit for Taxes Paid to Other Jurisdiction. Enter amounts from Line 9, Schedule A, Columns A and B here. If you completed more than one Schedule A, enter the total of all Line 9 amounts (Columns A and B) in the corresponding column	2.			2.	
3. Balance of Tax Due. Subtract line 2 from line 1 in each column	3.			3.	
4. Subtract line 3, Column A from line 3, Column B and enter result here				4.	
5. Is the line 4 amount \$50 or more (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse)?					
<input type="radio"/> 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 5, Column A, Schedule A			
Line 37		Line 6, Column A, Schedule A			
Line 38		Line 7, Column A, Schedule A			
Line 39		Line 2, Column A, Worksheet F			
Line 46		Make no entry			
<input type="radio"/> No. You receive a greater tax benefit from the Property Tax Credit. (Part-year residents , see instructions on page 17 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 6, Column B, Schedule A			
Line 38		Line 7, Column B, Schedule A			
Line 39		Line 2, Column B, Worksheet F			
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 on page 17.			

many allowable New York income tax adjustments. New York determines the rate (% of tax) that will be imposed by including all the income earned as if the taxpayer was a resident. New York then computes the percentage of the New York source income by dividing the New York State income by the Federal income (worldwide income). The percentage is then multiplied by the total calculated tax liability, as if a resident, to determine the actual tax liability of the nonresident. When claiming credit for taxes paid to New York, Line 1, Schedule A of the NJ-1040 should reflect the "New York State Amount" actually taxed by New York from the New York IT-203. Certain adjustments may be necessary to determine the income actually taxed by New York State.

For New Jersey residents subject to the New York State income tax on lump-sum distributions, separate Schedule A calculations for taxes paid to New York State

on first the ordinary income and second on taxes paid to New York State on the lump-sum distribution should be made to arrive at the total credit for taxes paid. Both Schedule As must be enclosed with your return.

Income From Pennsylvania. As a result of the Reciprocal Personal Income Tax Agreement between the Commonwealth of Pennsylvania and the State of New Jersey, compensation paid to New Jersey residents employed in Pennsylvania is not subject to the Pennsylvania income tax. Compensation means salaries, wages, tips, fees, commissions, bonuses, and other remuneration received for services rendered as an employee.

You may **not** claim a credit on Schedule A for taxes paid to Pennsylvania on compensation earned in Pennsylvania because these earnings are not subject to tax in Pennsylvania. If Pennsylvania income tax was withheld from your wages,

you must file a Pennsylvania return to obtain a refund. To stop the withholding of Pennsylvania income tax, complete a Pennsylvania Employee's Statement of Nonresidence in Pennsylvania and Authorization to Withhold Other State's Income Tax (Pennsylvania Form REV-420) and give it to your employer. You may obtain Form REV-420 from the Pennsylvania Department of Revenue.

The Reciprocal Agreement covers compensation only. If you are self-employed or receive other income (for example, gain from sale of property) which is taxable in both states, you may claim a credit for taxes paid to Pennsylvania on that income by completing Schedule A.

Income From Philadelphia or Other Pennsylvania Municipalities. The Reciprocal Agreement does not apply to the wage or income tax imposed and collected by the City of Philadelphia or any other municipality in Pennsylvania.

Schedule A - continued

Therefore, income subject to both New Jersey income tax and any municipal wage or income tax may be included on Line 1, Schedule A.

The amount of income taxable to Philadelphia is sometimes different than the New Jersey State wages figure on the W-2 statement. To determine the proper amount of income to place on Line 1 of Schedule A of the NJ-1040, you must divide the wage tax deducted from your pay by the Philadelphia tax rate as follows:

$$\frac{\text{Philadelphia Wage Tax Paid}}{\text{Philadelphia Wage Tax Rate}} = \text{Line 1, Sched. A}$$

Do not report at Line 1 an amount that is more than the amount reported at Line 14, NJ-1040 as Philadelphia wages.

Sole Proprietorship or Partnership Income From Philadelphia. If you are a sole proprietor or partner in a partnership whose income is subject to Pennsylvania income tax and Philadelphia Business Privilege Tax and Net Profits Tax, you must consider the taxes paid (based on income) to all jurisdictions when calculating the credit. The Philadelphia Business Privilege Tax imposes two taxes, one based on income and one based on gross receipts. Only the tax imposed based on income qualifies for the credit calculation.

S Corporation Income. If you paid income taxes or wage taxes to another jurisdiction on your S corporation income and that income is also taxed in New Jersey for the same tax year, you may be eligible for a credit. No credit is allowed, however, for tax imposed by another jurisdiction on S corporation income which is allocated to New Jersey. Nor is a credit allowed for the amount of any taxes paid or accrued on or measured by profits or income imposed on or paid on behalf of a person other than you, whether or not you may be held liable for the tax. In addition, you may not claim a credit against New Jersey tax attributable to distributions. Distributions that are taxable to you as dividends or gains from disposition of property are intangible income and not subject to tax in the other jurisdiction.

Line 2 - Income Subject to Tax by New Jersey

Enter on Line 2 the amount of income reported on Line 28, Form NJ-1040 (New Jersey Gross Income).

Line 3 - Maximum Allowable Credit Percentage

Divide Line 2 into Line 1 and enter the percentage on Line 3. Carry your results to seven (7) decimal places, rounding up if the seventh place is 5 or more (i.e., .2412378 becomes 24.1238%). Since Line 1 can never be more than Line 2, the result will be 100% or less.

If you are not eligible to claim a property tax deduction or credit, only complete Column B to determine your credit for taxes paid to other jurisdictions. Total the amounts from Line 9, Column B of all Schedule As completed and enter that amount on Line 39, Form NJ-1040. Make no entry on Lines 36 or 46, Form NJ-1040.

Line 4 - Taxable Income

For each column, enter on Line 4 the amount of your taxable income from Line 35, Form NJ-1040.

Line 5 - Property Tax and Deduction

If you were a qualified homeowner or tenant during the tax year, you may be eligible for a property tax deduction or property tax credit. See instructions on page 39 to determine if you qualify. If you qualify, enter in Box 5a your property taxes (or 18% of rent) due and paid during 2005 on your qualified residence. If the amount in Box 5a is \$10,000 or more, enter \$10,000 on Line 5. If the amount in Box 5a is less than \$10,000, enter that amount on Line 5.

Married, Filing Separate Return. If your filing status is married, filing separate return and you and your spouse maintain the same principal residence, enter in Box 5a one-half of the property taxes (or 18% of rent) due and paid. If the amount in Box 5a is \$5,000 or more,

enter \$5,000 on Line 5. If the amount in Box 5a is less than \$5,000, enter that amount on Line 5.

TAX TIP



Property Tax Reimbursement (Senior Freeze) Applicants.

If you are eligible for a property tax reimbursement for 2005 and file your application on Form PTR-1, enter in Box 5a the amount of your **2004 property taxes** as reported on Line 14 of your 2005 Property Tax Reimbursement Application, Form PTR-1. (For mobile home owners this is 18% of 2004 site fees.)

If you are eligible for a property tax reimbursement for 2005 and file your application on Form PTR-2, enter in Box 5a the amount of your base year property taxes as reported on Line 11 of your 2005 Property Tax Reimbursement Application, Form PTR-2. (For mobile home owners this is 18% of base year site fees.)

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

Multiple Residences, Owners, Units, or Tenants. Complete Schedule 1-A before completing Box 5a, Line 5, Schedule A if:

- ♦ You lived in more than one qualifying New Jersey residence during 2005; or
- ♦ You shared ownership of a principal residence during the year with anyone, other than your spouse; or
- ♦ A principal residence you owned during the year consisted of multiple units; or
- ♦ Anyone other than your spouse occupied and shared rent with you for an apartment or other rental dwelling unit; or
- ♦ You were both a homeowner and a tenant during the year.

If you were a homeowner, enter the amount from Line 4, Schedule 1-A in Box 5a, Line 5, Schedule A. If you were a tenant, enter 18% of the amount from Line 8, Schedule 1-A in Box 5a, Line 5,

Schedule A - continued

Schedule A. If you were both a homeowner and a tenant during the year, add the amount from Line 4, Schedule 1-A and 18% of the amount from Line 8, Schedule 1-A and enter the total in Box 5a, Line 5, Schedule A.

If you lived for part of the year in a residence that did not meet the eligibility qualifications on page 39, you are not eligible to receive a property tax deduction or a property tax credit for the period of time you lived in that residence. However, if you moved during the year and lived for part of the year in a residence that qualifies, complete Schedule 1-A for the qualified residence only. Do not list any information pertaining to the nonqualified residence.

Part-Year Residents. A part-year resident who meets the qualifications is eligible for a property tax deduction or credit. Enter in Box 5a, Line 5 the total amount of property taxes (or 18% of rent) due and paid during your period of residence.

Line 6 - New Jersey Taxable Income

For each column, subtract Line 5 from Line 4 and enter the result on Line 6.

Line 7 - Tax on Line 6 Amount

For each column, enter on Line 7 the amount of tax due on the income entered on Line 6. Use the Tax Table on page 61 or the Tax Rate Schedules on page 70 to calculate the amount of tax due.

If you are not eligible for a property tax benefit, and you are completing only Column B of Schedule A, the amount on Line 7, Column B should be the same as the amount you entered on Line 38, Form NJ-1040.

Line 8 - Allowable Credit

For each column, multiply the amount on Line 7 by the percentage on Line 3 and enter the result on Line 8.

Line 9 - Credit for Taxes Paid to Other Jurisdiction

Enter in Box 9a the total amount of income or wage tax paid to the other juris-

diction(s) on the amount of income shown on Line 1. Enter the total tax liability to the other jurisdiction from the other jurisdiction's tax return. If the other jurisdiction does not require the filing of a tax return, Box 9a of Schedule A may be the taxes withheld for the jurisdiction.

If you adjusted the income on Line 1 of this Schedule A because you had income taxed by more than one jurisdiction, enter only the tax paid on the adjusted amount shown on this Schedule (see example on page 49).

For each column, enter on Line 9 the lesser of Line 8, Allowable Credit, or the amount in Box 9a, amount of income or wage tax paid to the other jurisdiction(s) on the income shown on Line 1, Schedule A.

If you are eligible for a property tax deduction or credit, complete Worksheet F on page 50. Part-year residents see instructions on page 17.

If you are not eligible for a property tax deduction or credit, enter the amount from Line 9, Column B, Schedule A on Line 39, Form NJ-1040 and make no entry on Lines 36 or 46, Form NJ-1040. If you completed more than one Schedule A, total the amounts from Line 9, Column B of all Schedule As and enter on Line 39.

For more information on claiming a credit for taxes paid to another jurisdiction, refer to Tax Topic Bulletins GIT-3W, *Credit for Taxes Paid to Other Jurisdictions (Wage Income)*, and GIT-3B, *Credit for Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Schedule B - Disposition of Property

Your portion of the gain or loss derived from the disposition of property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business on Line 17, distributive share of partnership income on Line 20, income from estates and trusts on Line 25, or net pro rata share of S corporation income on Line 21. For information regarding

grantor trusts, see the reporting instructions for Line 25 on page 35.

Use Schedule B to report all other capital gains and income from the sale or exchange of any property. In arriving at your gain, you may deduct expenses of the sale and your basis in the property. The basis to be used for computing gain or loss is the cost or adjusted basis determined for Federal income tax purposes.

New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. A New Jersey depreciation adjustment may be required for assets placed in service on or after January 1, 2004. Complete the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP to calculate the adjustment.

New for 2005

Pursuant to N.J.S.A. 54A:5-15, for taxable years beginning after December 31, 2004, New Jersey income tax law has uncoupled from some provisions of the IRC Section 199 deduction. The New Jersey allowable IRC Section 199 deduction should be taken into consideration in calculating the gain or loss on disposition of applicable property. Information regarding the New Jersey limitations and calculations can be found on the Division's Web site (www.state.nj.us/treasury/taxation/).

If you sold an interest in a partnership, a sole proprietorship, or rental property, you may be required to use a New Jersey adjusted basis. If you sold shares in an S corporation, you **must** use your New Jersey adjusted basis. The gain or loss from your sale or liquidation of a sole proprietorship, a partnership interest, or shares of S corporation stock must be reported as net gains or income from disposition of property on Schedule B. For instructions on calculating your New Jersey adjusted basis and the New Jersey gain or loss on disposition of a partnership interest or S corporation shares, partners and shareholders should request Tax Topic Bulletin GIT-9P, *Income From Partnerships*, or GIT-9S, *Income From S Corporations*.

continued

Schedule B - continued

All gains derived from installment sales must be reported in the same year as reported for Federal income tax purposes. If the New Jersey basis differs from the Federal basis, a New Jersey installment sale calculation must be made and the New Jersey gain must be reported.

If the spaces provided are not sufficient, enclose a statement with the return listing any additional transactions along with Schedule B.

Sale of a Principal Residence. If you sell your principal residence, you may qualify to exclude all or part of any gain from your income regardless of age. Capital gain and the exclusion of all or part of the gain on the sale of a principal residence are computed in the same manner as for Federal income tax purposes. Any amount that is taxable for Federal purposes is taxable for New Jersey purposes. If you exclude any of the gain on the sale of your principal residence for Federal purposes, the same amount will be excluded for New Jersey purposes.

You can claim the exclusion if, during the 5-year period ending on the date of the sale, you have:

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

NOTE: If you owned and used the property as your principal residence for less than 2 years, and you qualify for a reduced exclusion for Federal purposes, you may claim a reduced exclusion for New Jersey purposes.

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

1. Neither you nor your spouse if filing a joint return is excluding gain from the sale of another home.
2. You or your spouse if filing a joint return owned and lived in the home for periods adding up to at least 2 years within the 5-year period ending on the date of sale.

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

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

You cannot exclude the gain on the sale of your principal residence if, during the 2-year period ending on the date of the sale, you sold another home at a gain and excluded all or part of that gain. If you cannot exclude the gain, you must include it in your income and complete Schedule B. Be sure the amount you report on Schedule B agrees with the amount shown on your Federal return. However, you can claim a reduced exclusion if you sold the home due to a change in health or place of employment and you qualify for a reduced exclusion for Federal purposes.

Line 1 - List of Transactions

List at Line 1, Schedule B any New Jersey taxable transaction(s) as reported on your Federal Schedule D, indicating the gain or loss for each transaction in Column f. In listing the gain or loss on disposition of rental property, the New Jersey adjustment from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, line 6 must be taken into consideration. Be sure to retain the completed worksheet for your records. See page 71 for how to request Worksheet GIT-DEP and instructions.

Do not include gains or losses from the sale of exempt obligations. For more information on tax-exempt obligations, request Tax Topic Bulletin GIT-5, *Exempt Obligations*.

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

Line 2 - Capital Gains Distributions

Enter on Line 2 the total amount of all capital gains distributions from your Form 1099-DIV(s) or similar statement(s). Do not include capital gains from a "New Jersey Qualified Investment Fund" which are attributable to qualified exempt obligations or gains from mutual funds to the extent attributable to Federal obligations. For more information on "New Jersey Qualified Investment Funds," see page 30.

Line 3 - Other Net Gains

Enter on Line 3 the total amount of net gains or income less net losses from disposition of property not included on Lines 1 or 2 of Schedule B.

Line 4 - Net Gains

Enter on Line 4 the total of the amounts listed on Line 1, Column f and Lines 2 and 3, netting gains with losses. Enter this amount on Line 18, Form NJ-1040. If the netted amount is a loss, enter zero here and make no entry on Line 18, Form NJ-1040.

Schedule C - Rents, Royalties, Patents, and Copyrights

Your portion of net gains or losses derived from rents, royalties, patents, and copyrights from property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business on Line 17, distributive share of partnership income on Line 20, income from estates and trusts on Line 25, or net pro rata share of S corporation income on Line 21. For information regarding grantor trusts see the reporting instructions for Line 25 on page 35.

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

New Jersey income tax law has uncoupled from certain changes in Federal depreciation and expense deduction limits. A New Jersey depreciation adjustment may be required for assets placed in service on or

continued

Schedule C - continued

after January 1, 2004. Complete the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP to calculate the adjustment.

New for 2005

Pursuant to N.J.S.A. 54A:5-15, for taxable years beginning after December 31, 2004, New Jersey income tax law has uncoupled from some provisions of the IRC Section 199 deduction. Information regarding the New Jersey limitations and calculations can be found on the Division's Web site (www.state.nj.us/treasury/taxation/). The Gross Income Tax Act does not distinguish between active and passive losses, nor does it authorize carryback or carry-forward of such losses. Thus, you may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income.

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

Line 1 - List of Property and Income

List at Line 1, Schedule C the kind of property and the net income or loss from each property. For rentals, in listing the income or loss for each rental property as determined on your Federal Schedule E, the New Jersey adjustments from the Gross Income Tax Depreciation Adjustment Worksheet GIT-DEP, Part 1, lines 4 and 5 must be taken into consideration. Be sure to retain the completed worksheet for your records. See page 71 for how to request Worksheet GIT-DEP and instructions.

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

Line 2 - Totals

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

Line 3 - Net Income

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

Assembling Your Return

Be sure to check the following before mailing your completed return:

- **Check** your math.
- **Sign and date your return.** Both spouses must sign a joint return.
- **FAIR Tenant Rebate Application, Form TR-1040 (tenants only).** An incomplete application may delay your rebate.
- **Enclose** all supporting documents and schedules with the return including:
 - W-2(s)
 - 1099-R(s) that indicate NJ withholdings
 - If appropriate, New Jersey Form(s): TR-1040, Schedules A, B, & C, NJ-630, NJ-2210, NJ-2440, NJ-2450, Schedule NJK-1 (or copy of Federal Schedule K-1, Form 1065), Schedule NJ-K-1 (or copy of Federal Schedule K-1, Form 1120S)
 - If appropriate, proof of age and/or disability the first time you claim the exemption(s) on your return and/or FAIR tenant rebate application
 - If appropriate, copy of your New Jersey Certificate of Domestic Partnership the first time you claim the exemption on your return
 - If appropriate, copy of Federal tax return to document income below the minimum filing threshold for the entire year for a part-year resident
 - If appropriate, copy of Federal Form(s):

Schedule B or Schedule 1 for interest over \$1,500	Form 3903 for moving expenses
Schedule C, C-EZ, or F for business income	Form 4868 for filing under a Federal extension
Schedule K-1, Form 1041 for reporting income from estates and trusts	Form 8283 for Qualified Conservation Contributions
Form 2106 for employee business expenses	Form 8853 for Archer MSA contributions
- **Balance due.** Complete the Payment Voucher, Form NJ-1040-V, and return it with your payment if paying by check or money order. Write your social security number on your check or money order. If paying by e-check or credit card, do not include the payment voucher.
- **Use the large envelope** to mail Form NJ-1040 and/or TR-1040 with related enclosures, payment voucher, and check or money order. On the flap of the large envelope you will find three address labels. Choose the label that applies.
- **Keep a copy** of your return and all supporting documents or schedules.

How to Apply for the FAIR Rebate

How you apply for the FAIR rebate is determined by whether you were a homeowner or a tenant **on October 1, 2005**. Homeowners and tenants file different applications.

Tenants. The application for the FAIR tenant rebate, Form TR-1040, is contained in this booklet. Those who rented and occupied a home in New Jersey that was their principal residence on October 1, 2005, and who meet the other requirements below are eligible.

Homeowners. Applications for the FAIR homeowner rebate are expected to be mailed at the end of April, and homeowners will apply either online or by phone. **Homeowners do not use the application in this booklet.** Residents who owned, occupied and paid property taxes on a home in New Jersey that was their principal residence on October 1, 2005, and whose 2005 gross income was \$200,000 or less are eligible. Rebate amounts and qualifications for eligibility are subject to restrictions due to State budgetary constraints.

NOTE: If you were a homeowner for part of the year, but your principal residence on October 1, 2005, was a dwelling that you rented, you may be eligible for FAIR rebate as a tenant. See below.

Tenant Eligibility

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

- ◆ You must have rented and occupied a home in New Jersey that was your principal residence **on October 1, 2005**; and
- ◆ Your gross income for the entire year must have been \$100,000 or less (see Note under Line 11, Total Gross Income, on page 57); and
- ◆ Your principal residence must be subject to local property taxes, and property taxes must have been paid on that residence through rent; and

- ◆ Your dwelling unit must contain its own separate kitchen and bath facilities; and
- ◆ If you are filing Form NJ-1040, you must file the FAIR Tenant Rebate Application (Form TR-1040) and the NJ-1040 **by April 17, 2006**, or if you are filing the NJ-1040 under an extension, by the extended due date. If you are filing **only** Form TR-1040, see “Rebate Only Filers” below.

Rebate Only Filers. A tenant who is not required to file a New Jersey income tax return (because of income below the minimum filing threshold) and meets the qualifications for a FAIR tenant rebate **may file only Form TR-1040 to claim a rebate. It is not necessary to file the NJ-1040 along with the FAIR tenant rebate application.** These residents have until October 31, 2006, to file Form TR-1040.

Part-Year Residents. A part-year resident who rented a principal residence on October 1, 2005, and meets all the eligibility requirements qualifies for a FAIR tenant rebate. Part-year residents must enter their full-year income from all sources on Line 9 of Form TR-1040.

TAX TIP Married, Filing Separate



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

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

Mobile Homes. If you own or rent a mobile home which is located in a mobile home park, you are considered a tenant

for purposes of applying for the rebate. For more information on mobile homes, contact the Division's Customer Service Center.

TAX TIP Co-ops and Continuing Care Retirement Communities.

Resident shareholders of cooperative housing complexes and residents of continuing care retirement communities are considered *homeowners* for FAIR rebate purposes and **should not file the application in this booklet.** Applications for the FAIR homeowner rebate are expected to be mailed at the end of April.

Rebate Amount

The Division of Taxation will calculate the amount of your rebate based on the information you provide. The amount of your rebate is determined by your income, filing status, and whether you were age 65 or older or eligible to claim an exemption as blind or disabled for tax year 2005. Rebate amounts and qualifications for eligibility are subject to restrictions due to State budgetary constraints.

For 2004, eligible tenants who were age 65 or older or disabled received rebates ranging from a minimum of \$150 up to a maximum of \$825, and eligible tenants under age 65 and not disabled received rebates of \$75. For 2005, these restrictions may or may not apply.

Seniors or Blind/Disabled Persons. If you (or your spouse if filing a joint return) were 65 years of age or older or blind or disabled on the last day of the tax year, and your gross income on Line 28 is \$20,000 or less (\$10,000 if filing status is single or married, filing separate return), and you are eligible for a property tax credit in the amount of \$50, (\$25 if filing status is married, filing separate return and you maintain the same residence as your spouse) this credit will automatically be sent to you with your FAIR rebate. If you are filing Form NJ-1040, **do not** complete Line 36 to claim a property tax deduction **or** Line 46 to claim a property tax credit.

Identification Section

Name and Address

Rebate Only Filers. If you are filing only the FAIR tenant rebate application, place the peel-off label from the front of this booklet in the name and address section at the top of the application. **Do not use the label if any of the information is incorrect.** If your label contains inaccurate information or you do not have a label, print or type your name (last name first), complete address, and zip code in the spaces provided. Also include your spouse's name if filing jointly.

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

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

Social Security Number

Your social security number(s) is not printed on your name and address label. **You must enter your social security number(s)** in the space provided on the return, one digit in each box. If your filing status is married, filing joint return, remember to report both spouses' numbers in the order in which the names are listed on the return.

If you (or your spouse) do not have a social security number, see "Social Security Number" on page 24 for more information.

County/Municipality Code

Check the county/municipality code on your label (see example). Do not use the label if any of the information is incorrect. If your label contains inaccurate information or you do not have a label, or you used the label on your tax return, enter your four-digit code, one digit in each box, from the table on page 59. This code identifies the county and municipality of your current residence. The county and

municipality codes in these instructions are for Division of Taxation purposes only.

TAX TIP



If the local name of the place where you live is not listed, go to www.state.nj.us/infobank/locality.htm for a listing of local names in the State and the county and municipality in which they are located.

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XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
SMIT             1111
SMITH JOHN & JANE
123 MAIN STREET
TRENTON, NJ 08611
    
```

County/Municipality Code
123123123900

Filing Status (Lines 1 - 5)

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

Head of Household. Your filing status is head of household if you are unmarried on the last day of the year and pay more than one-half of the cost of keeping up a home for yourself *and at least one dependent*. Certain married individuals living apart may file as head of household for New Jersey if they meet the requirements to file as head of household for Federal purposes. You may also qualify to file as head of household if you are no longer eligible to file as qualifying widow or widower and you have not remarried.

Qualifying Widow(er). If your spouse died during the year, you are considered married for that entire year and you may file a joint return for yourself and your deceased spouse provided you did not remarry before the end of the year. You may be eligible to use the filing status "qualifying widow(er)" for each of the *two tax years after the year in which your spouse died* if you pay more than one-half of the cost of keeping up a home for yourself and at least one child, step-

child, adopted child, or foster child who qualifies as your dependent.

Married Persons. You may use the filing status "Married, filing joint return" or "Married, filing separate return" only if you and your spouse were married on the last day of the tax year. If you were a member of a domestic partnership registered in New Jersey, you are not considered "married" and you may not use these filing statuses.

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

NJ Residency Status (Line 6)

If you were a New Jersey resident for only part of the taxable year, list the month, day, and year your residency began and the month, day, and year it ended. All months should be listed as two-digit numbers with the digits 01 for January, 02 for February, 03 for March, etc. Place the correct number for the beginning and ending months directly in the boxes containing the letter "M," one digit in each box.

The days of the months should be listed as two-digit numbers beginning with the digits 01 for the first day of the month and ending with the digits 31 for the last day of the month. Place the correct number for the beginning and ending dates directly in the boxes containing the letter "D," one digit in each box.

For calendar year filers the year should be entered as 05 and the numbers placed directly in the boxes containing the letter "Y," one digit in each box. Fiscal year filers should enter the appropriate year in the "Y" boxes.

Tenant on October 1, 2005 (Line 7)

If you rented and occupied an apartment or other rental dwelling in New Jersey as your principal residence on October 1, 2005, fill in "Yes" and continue completing the application. **If you answer "No" here, you are not eligible for a 2005 FAIR rebate as a tenant. Do not file Form TR-1040.**

Identification Section - continued

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.

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

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

- ◆ If you (or your spouse) were 65 or older, fill in the oval to the left of "Age 65 or older."
- ◆ If you (or your spouse) were 65 or older and you (or your spouse) were also blind or disabled, fill in the oval to the left of "Age 65 or older."
- ◆ If you (and your spouse) were under 65, and you (or your spouse) were blind or disabled, fill in the oval to the left of "Blind or disabled."
- ◆ If you (and your spouse) do not meet the age or disability qualifications, fill in the oval to the left of "Not 65 or blind or disabled."

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

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

Proof of Disability. Disabled means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including blindness. The first time you (or your spouse) file a FAIR tenant rebate application and indicate that you (or your spouse) are blind or disabled *you must enclose a copy of the doctor's certificate or other medical records evidencing legal blind-*

Tax-Exempt, Subsidized, and Campus Housing

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

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

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

ness or total and permanent disability.

This information need not be submitted each year providing there is no change in your condition.

Application Section

Line 9 - Gross Income

Enter on Line 9 the amount of income reported on Line 28 of your 2005 New Jersey income tax return, Form NJ-1040. If you did not complete Form NJ-1040, enter on Line 9 the same income as you would have reported on Line 28 if you had filed the tax return. **Part-year residents must enter their income from all sources for the entire year.**

NOTE: Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as income on Line 9.

Rebate Only Filers. If you were not required to file a return because your gross income for the *entire year* did not exceed the minimum filing threshold, **you don't need to provide your income.** Enter "0" on Line 9 of your FAIR tenant rebate application. Also enter "0" if you filed a return and the amount of your gross income on Line 28 did not exceed the minimum filing threshold.

Line 10 - Spouse's Gross Income

If the filing status on your 2005 New Jersey income tax return is married, filing separate return, and you and your spouse maintain the same principal residence, fill in the oval and enter on Line 10 the amount of income reported on Line 28 of your spouse's New Jersey income tax return, Form NJ-1040. If your spouse did not complete Form NJ-1040, enter on Line 10 the same income as your spouse would have reported on Line 28 if a tax return had been filed. Enter "0" if your spouse's gross income did not exceed the minimum filing threshold. **Part-year residents must enter their spouse's income from all sources for the entire year.**

Line 11 - Total Gross Income

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

NOTE: If the amount on Line 11 is more than \$100,000, you are not eligible for a 2005 FAIR tenant rebate. Do not complete Form TR-1040.

Application Section - continued

Line 12 - Address

Enter on Line 12 the street address (including apartment number) and municipality of the rental property in New Jersey that was your principal residence **on October 1, 2005**. Do not use a PO Box address. Complete this line even if the physical location of the residence for which you are applying for the rebate is the same as your mailing address.

NOTE: If you owned the home that was your principal residence in New Jersey on October 1, 2005, do not complete Form TR-1040 to apply for the FAIR rebate. Applications are expected to be mailed to homeowners separately at the end of April.

Line 13 - Rent

Enter on Line 13 the total amount of rent you (and your spouse) paid during the year on the residence indicated at Line 12. Rent is the amount paid to your landlord for the right to occupy your residence, not including any security deposit, or charges for late rent payments. Report only the actual amount you paid out of pocket. Do not include any amount paid under the Federal Housing Choice Voucher (Section 8) Program.

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

If you had more than one New Jersey residence during the year, enter on Line 13 **only** the total rent you (and your spouse) paid on the rental property you occupied on October 1, 2005.

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

Line 14 - Number of Days in the Residence

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

Line 15 - Multiple Tenants

Fill in "Yes" at Line 15 only if you lived with someone (other than your spouse) and shared the rent with them for the rental property indicated at Line 12. (For example, you and your daughter lived together and shared the rent for the apartment where you lived October 1, 2005.) **If you answer "Yes," you must complete Lines 15a through 15c.** If you (and your spouse) were the sole tenant(s), fill in "No."

Lines 15a - 15c

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

Line 15a - Number of Tenants

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

Line 15b - Tenants' Names and Social Security Numbers

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

Line 15c - Total Rent

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

Signatures

Rebate Only Filers. Sign and date your FAIR tenant rebate application in ink. Both husband and wife must sign a joint application. The signature(s) on the form you file must be original; photocopied signatures are not acceptable. An application without the proper signatures cannot be processed and will be returned to you. This may result in a delay in payment of your FAIR rebate.

For information about authorizing the Division of Taxation to discuss your return and enclosures with your paid preparer, see "Preparer Authorization" on page 23.

Where to Send Your Application

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

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

Income Tax With Rebate Filers. If you are filing both Form NJ-1040 **and** Form TR-1040, mail your FAIR tenant rebate application in the same envelope together with your income tax return. See "Where to Send Your Return" on page 21.

Enter the appropriate four-digit number in the boxes below the social security number boxes on Form NJ-1040 and Form TR-1040. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 24.

Municipality	Code	Municipality	Code	Municipality	Code	Municipality	Code
ATLANTIC COUNTY							
Absecon City	0101	Ridgewood Village	0251	Gibbsboro Borough	0413	Nutley Township	0716
Atlantic City	0102	River Edge Borough	0252	Gloucester City	0414	Orange City	0717
Brigantine City	0103	River Vale Township	0253	Gloucester Township	0415	Roseland Borough	0718
Buena Borough	0104	Rochelle Park Township	0254	Haddon Township	0416	South Orange Village Twp.	0719
Buena Vista Township	0105	Rockleigh Borough	0255	Haddonfield Borough	0417	Verona Township	0720
Corbin City	0106	Rutherford Borough	0256	Haddon Heights Borough	0418	West Caldwell Township	0721
Egg Harbor City	0107	Saddle Brook Township	0257	Hi-Nella Borough	0419	West Orange Township	0722
Egg Harbor Township	0108	Saddle River Borough	0258	Laurel Springs Borough	0420	GLOUCESTER COUNTY	
Estell Manor City	0109	South Hackensack Twp.	0259	Lawnside Borough	0421	Clayton Borough	0801
Folsom Borough	0110	Teaneck Township	0260	Lindenwold Borough	0422	Deptford Township	0802
Galloway Township	0111	Tenafly Borough	0261	Magnolia Borough	0423	East Greenwich Township	0803
Hamilton Township	0112	Teterboro Borough	0262	Merchantville Borough	0424	Elk Township	0804
Hammoncton Town	0113	Upper Saddle River Bor.	0263	Mount Ephraim Borough	0425	Franklin Township	0805
Linwood City	0114	Waldwick Borough	0264	Oaklyn Borough	0426	Glassboro Borough	0806
Longport Borough	0115	Wallington Borough	0265	Pennsauken Township	0427	Greenwich Township	0807
Margate City	0116	Washington Township	0266	Pine Hill Borough	0428	Harrison Township	0808
Mullica Township	0117	Westwood Borough	0267	Pine Valley Borough	0429	Logan Township	0809
Northfield City	0118	Woodcliff Lake Borough	0268	Runnemede Borough	0430	Manua Township	0810
Pleasantville City	0119	Wood-Ridge Borough	0269	Somerdale Borough	0431	Monroe Township	0811
Port Republic City	0120	Wyckoff Township	0270	Stratford Borough	0432	National Park Borough	0812
Somers Point City	0121	BURLINGTON COUNTY		Tavistock Borough	0433	Newfield Borough	0813
Ventnor City	0122	Bass River Township	0301	Voorhees Township	0434	Paulsboro Borough	0814
Weymouth Township	0123	Beverly City	0302	Winslow Township	0436	Pitman Borough	0815
BERGEN COUNTY		Bordentown City	0303	Woodlynne Borough	0437	South Harrison Township	0816
Allendale Borough	0201	Bordentown Township	0304	CAPE MAY COUNTY			
Alpine Borough	0202	Burlington City	0305	Avalon Borough	0501	Swedesboro Borough	0817
Bergenfield Borough	0203	Burlington Township	0306	Cape May City	0502	Washington Township	0818
Bogota Borough	0204	Chesterfield Township	0307	Cape May Point Borough	0503	Wenonah Borough	0819
Carlstadt Borough	0205	Cinnaminson Township	0308	Dennis Township	0504	West Deptford Township	0820
Cliffside Park Borough	0206	Delanco Township	0309	Lower Township	0505	Westville Borough	0821
Closter Borough	0207	Delran Township	0310	Middle Township	0506	Woodbury City	0822
Cresskill Borough	0208	Eastampton Township	0311	North Wildwood City	0507	Woodbury Heights Bor.	0823
Demarest Borough	0209	Edgewater Park Township	0312	Ocean City	0508	Woolwich Township	0824
Dumont Borough	0210	Evesham Township	0313	Sea Isle City	0509	HUDSON COUNTY	
East Rutherford Borough	0212	Fieldsboro Borough	0314	Stone Harbor Borough	0510	Bayonne City	0901
Edgewater Borough	0213	Florence Township	0315	Upper Township	0511	East Newark Borough	0902
Elmwood Park Borough	0211	Hainesport Township	0316	West Cape May Borough	0512	Guttenberg Town	0903
Emerson Borough	0214	Lumberton Township	0317	West Wildwood Borough	0513	Harrison Town	0904
Englewood City	0215	Mansfield Township	0318	Wildwood City	0514	Hoboken City	0905
Englewood Cliffs Boro	0216	Maple Shade Township	0319	Wildwood Crest Borough	0515	Jersey City	0906
Fair Lawn Borough	0217	Medford Township	0320	Woodbine Borough	0516	Kearny Town	0907
Fairview Borough	0218	Medford Lakes Borough	0321	CUMBERLAND COUNTY			
Fort Lee Borough	0219	Moorestown Township	0322	Bridgeton City	0601	North Bergen Township	0908
Franklin Lakes Borough	0220	Mount Holly Township	0323	Commercial Township	0602	Secaucus Town	0909
Garfield City	0221	Mount Laurel Township	0324	Deerfield Township	0603	Union City	0910
Glen Rock Borough	0222	New Hanover Township	0325	Downe Township	0604	Weehawken Township	0911
Hackensack City	0223	North Hanover Township	0326	Fairfield Township	0605	West New York Town	0912
Harrington Park Borough	0224	Palmyra Borough	0327	Greenwich Township	0606	HUNTERDON COUNTY	
Hasbrouck Heights Bor.	0225	Pemberton Borough	0328	Hopewell Township	0607	Alexandria Township	1001
Haworth Borough	0226	Pemberton Township	0329	Lawrence Township	0608	Bethlehem Township	1002
Hillsdale Borough	0227	Riverside Township	0330	Maurice River Township	0609	Bloomsbury Borough	1003
Ho Ho Kus Borough	0228	Riverton Borough	0331	Millville City	0610	Califon Borough	1004
Leonia Borough	0229	Shamong Township	0332	Shiloh Borough	0611	Clinton Town	1005
Little Ferry Borough	0230	Southampton Township	0333	Stow Creek Township	0612	Clinton Township	1006
Lodi Borough	0231	Springfield Township	0334	Upper Deerfield Twp.	0613	Delaware Township	1007
Lyndhurst Township	0232	Tabernacle Township	0335	Vineland City	0614	East Amwell Township	1008
Mahwah Township	0233	Washington Township	0336	ESSEX COUNTY			
Maywood Borough	0234	Westampton Township	0337	Belleville Township	0701	Hampton Borough	1013
Midland Park Borough	0235	Willingboro Township	0338	Bloomfield Township	0702	High Bridge Borough	1014
Montvale Borough	0236	Woodland Township	0339	Caldwell Borough Twp.	0703	Holland Township	1015
Moonachie Borough	0237	Wrightstown Borough	0340	Cedar Grove Township	0704	Kingwood Township	1016
New Milford Borough	0238	CAMDEN COUNTY		East Orange City	0705	Lambertville City	1017
North Arlington Borough	0239	Audubon Borough	0401	Essex Fells Twp.	0706	Lebanon Borough	1018
Northvale Borough	0240	Audubon Park Borough	0402	Fairfield Township	0707	Lebanon Township	1019
Norwood Borough	0241	Barrington Borough	0403	Glen Ridge Twp.	0708	Milford Borough	1020
Oakland Borough	0242	Bellmawr Borough	0404	Irvington Township	0709	Raritan Township	1021
Old Tappan Borough	0243	Berlin Borough	0405	Livingston Township	0710	Readington Township	1022
Oradell Borough	0244	Berlin Township	0406	Maplewood Township	0711	Stockton Borough	1023
Palisades Park Borough	0245	Brooklawn Borough	0407	Millburn Township	0712	Tewksbury Township	1024
Paramus Borough	0246	Camden City	0408	Montclair Township	0713	Union Township	1025
Park Ridge Borough	0247	Cherry Hill Township	0409	Newark City	0714	West Amwell Township	1026
Ramsey Borough	0248	Chesilhurst Borough	0410	North Caldwell Twp.	0715		
Ridgefield Borough	0249	Clementon Borough	0411				
Ridgefield Park Village	0250	Collingswood Borough	0412				

Enter the appropriate four-digit number in the boxes below the social security number boxes on Form NJ-1040 and Form TR-1040. These codes are for Division of Taxation purposes only. If the place where you live is not listed, see instructions on page 24.

Municipality	Code	Municipality	Code	Municipality	Code	Municipality	Code
MERCER COUNTY							
East Windsor Township	1101	Millstone Township	1333	Lakehurst Borough	1514	Warren Township	1820
Ewing Township	1102	Monmouth Beach Borough	1334	Lakewood Township	1515	Watchung Borough	1821
Hamilton Township	1103	Neptune City Borough	1336	Lavallette Borough	1516	SUSSEX COUNTY	
Hightstown Borough	1104	Neptune Township	1335	Little Egg Harbor Twp.	1517	Andover Borough	1901
Hopewell Borough	1105	Ocean Township	1337	Long Beach Township	1518	Andover Township	1902
Hopewell Township	1106	Oceanport Borough	1338	Manchester Township	1519	Branchville Borough	1903
Lawrence Township	1107	Red Bank Borough	1339	Mantoloking Borough	1520	Byram Township	1904
Pennington Borough	1108	Roosevelt Borough	1340	Ocean Gate Borough	1522	Frankford Township	1905
Princeton Borough	1109	Rumson Borough	1341	Ocean Township	1521	Franklin Borough	1906
Princeton Township	1110	Sea Bright Borough	1342	Pine Beach Borough	1523	Fredon Township	1907
Trenton City	1111	Sea Girt Borough	1343	Plumsted Township	1524	Green Township	1908
Washington Township	1112	Shrewsbury Borough	1344	Point Pleasant Borough	1525	Hamburg Borough	1909
West Windsor Township	1113	Shrewsbury Township	1345	Pt. Pleasant Beach Bor.	1526	Hampton Township	1910
MIDDLESEX COUNTY							
Carteret Borough	1201	Spring Lake Borough	1347	Seaside Heights Borough	1527	Hardyston Township	1911
Cranbury Township	1202	Spring Lake Heights Bor.	1348	Seaside Park Borough	1528	Hopatcong Borough	1912
Dunellen Borough	1203	Tinton Falls Borough	1349	Ship Bottom Borough	1529	Lafayette Township	1913
East Brunswick Township	1204	Union Beach Borough	1350	South Toms River Bor.	1530	Montague Township	1914
Edison Township	1205	Upper Freehold Township	1351	Stafford Township	1531	Newton Town	1915
Helmetta Borough	1206	Wall Township	1352	Surf City Borough	1532	Ogdensburg Borough	1916
Highland Park Borough	1207	West Long Branch Boro	1353	Tuckerton Borough	1533	Sandyston Township	1917
Jamesburg Borough	1208	MORRIS COUNTY		PASSAIC COUNTY		Sparta Township	1918
Metuchen Borough	1209	Boonton Town	1401	Bloomington Borough	1601	Stanhope Borough	1919
Middlesex Borough	1210	Boonton Township	1402	Clifton City	1602	Stillwater Township	1920
Milltown Borough	1211	Butler Borough	1403	Haledon Borough	1603	Sussex Borough	1921
Monroe Township	1212	Chatham Borough	1404	Hawthorne Borough	1604	Vernon Township	1922
New Brunswick City	1213	Chatham Township	1405	Little Falls Township	1605	Walpack Township	1923
North Brunswick Twp.	1214	Chester Borough	1406	North Haledon Borough	1606	Wantage Township	1924
Old Bridge Township	1215	Chester Township	1407	Passaic City	1607	UNION COUNTY	
Perth Amboy City	1216	Denville Township	1408	Paterson City	1608	Berkeley Heights Twp.	2001
Piscataway Township	1217	Dover Town	1409	Pompton Lakes Borough	1609	Clark Township	2002
Plainsboro Township	1218	East Hanover Township	1410	Prospect Park Borough	1610	Cranford Township	2003
Sayreville Borough	1219	Florham Park Borough	1411	Ringwood Borough	1611	Elizabeth City	2004
South Amboy City	1220	Hanover Township	1412	Totowa Borough	1612	Fanwood Borough	2005
South Brunswick Twp.	1221	Harding Township	1413	Wanaque Borough	1613	Garwood Borough	2006
South Plainfield Bor.	1222	Jefferson Township	1414	Wayne Township	1614	Hillside Township	2007
South River Borough	1223	Kinnelon Borough	1415	West Milford Township	1615	Kenilworth Borough	2008
Spotswood Borough	1224	Lincoln Park Borough	1416	West Paterson Borough	1616	Linden City	2009
Woodbridge Township	1225	Long Hill Township	1430	SALEM COUNTY		Mountainside Borough	2010
MONMOUTH COUNTY							
Aberdeen Township	1301	Madison Borough	1417	Alloway Township	1701	New Providence Borough	2011
Allenhurst Borough	1302	Mendham Borough	1418	Carneys Point Township	1702	Plainfield City	2012
Allentown Borough	1303	Mendham Township	1419	Elmer Borough	1703	Rahway City	2013
Asbury Park City	1304	Mine Hill Township	1420	Elsinboro Township	1704	Roselle Borough	2014
Atlantic Highlands Bor.	1305	Montville Township	1421	Lower Alloways Crk. Twp.	1705	Roselle Park Borough	2015
Avon-by-the-Sea Bor.	1306	Morris Plains Borough	1423	Mannington Township	1706	Scotch Plains Township	2016
Belmar Borough	1307	Morris Township	1422	Oldmans Township	1707	Springfield Township	2017
Bradley Beach Borough	1308	Morristown Town	1424	Penns Grove Borough	1708	Summit City	2018
Brielle Borough	1309	Mountain Lakes Borough	1425	Pennsville Township	1709	Union Township	2019
Colts Neck Township	1310	Mt. Arlington Borough	1426	Pilesgrove Township	1710	Westfield Town	2020
Deal Borough	1311	Mt. Olive Township	1427	Pittsgrove Township	1711	Winfield Township	2021
Eatontown Borough	1312	Netcong Borough	1428	Quinton Township	1712	WARREN COUNTY	
Englishtown Borough	1313	Parsippany-Troy Hills Twp.	1429	Salem City	1713	Allamuchy Township	2101
Fair Haven Borough	1314	Pequannock Township	1431	Upper Pittsgrove Twp.	1714	Alpha Borough	2102
Farmingdale Borough	1315	Randolph Township	1432	Woodstown Borough	1715	Belvidere Town	2103
Freehold Borough	1316	Riverdale Borough	1433	SOMERSET COUNTY		Blairstown Township	2104
Freehold Township	1317	Rockaway Borough	1434	Bedminster Township	1801	Franklin Township	2105
Hazlet Township	1318	Rockaway Township	1435	Bernards Township	1802	Frelinghuysen Township	2106
Highlands Borough	1319	Roxbury Township	1436	Bernardsville Borough	1803	Greenwich Township	2107
Holmdel Township	1320	Victory Gardens Borough	1437	Bound Brook Borough	1804	Hackettstown Town	2108
Howell Township	1321	Washington Township	1438	Branchburg Township	1805	Hardwick Township	2109
Interlaken Borough	1322	Wharton Borough	1439	Bridgewater Township	1806	Harmony Township	2110
Keansburg Borough	1323	OCEAN COUNTY		Far Hills Borough	1807	Hope Township	2111
Keyport Borough	1324	Barneget Township	1501	Franklin Township	1808	Independence Township	2112
Lake Como Borough	1346	Barneget Light Borough	1502	Green Brook Township	1809	Knowlton Township	2113
Little Silver Borough	1325	Bay Head Borough	1503	Hillsborough Township	1810	Liberty Township	2114
Loch Arbour Village	1326	Beach Haven Borough	1504	Manville Borough	1811	Lopatcong Township	2115
Long Branch City	1327	Beachwood Borough	1505	Millstone Borough	1812	Mansfield Township	2116
Manalapan Township	1328	Berkeley Township	1506	Montgomery Township	1813	Oxford Township	2117
Manasquan Borough	1329	Brick Township	1507	North Plainfield Borough	1814	Phillipsburg Town	2119
Marlboro Township	1330	Dover Township	1508	Peapack & Gladstone Bor.	1815	Pohatcong Township	2120
Matawan Borough	1331	Eagleswood Township	1509	Raritan Borough	1816	Washington Borough	2121
Middletown Township	1332	Harvey Cedars Borough	1510	Rocky Hill Borough	1817	Washington Township	2122
		Island Heights Borough	1511	Somerville Borough	1818	White Township	2123
		Jackson Township	1512	South Bound Brook Bor.	1819		
		Lacey Township	1513				

2005 New Jersey Tax Table

Use this table if your New Jersey taxable income on Line 37 is less than \$100,000. If your taxable income is \$100,000 or more, you must use the Tax Rate Schedules on page 70 of this booklet.

Example: Mr. and Mrs. Evans are filing a joint return. They checked filing status “2,” married, filing joint return. Their taxable income on Line 37 of Form NJ-1040 is \$39,875. First they find the \$39,850–\$39,900 income line. Next, they find the column for filing status “2” and read down the column. The amount shown where the income line meets the filing status column is \$628. This is the tax amount to be entered on Line 38 of Form NJ-1040.

If Line 37 (taxable income) Is—		And Your Filing Status* Is	
At least	But Less Than	1 or 3	2, 4, or 5
		Your Tax is—	
39,800	39,850	711	627
39,850	39,900	713	628
39,900	39,950	715	629
39,950	40,000	717	630

***Filing Status:**

- 1—Single
- 2—Married, filing joint return
- 3—Married, filing separate return
- 4—Head of household
- 5—Qualifying widow(er)

2005 NEW JERSEY TAX TABLE (NJ-1040)

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
		Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—	
				1,000				2,000				3,000			
0	50	0	0	1,000	1,050	14	14	2,000	2,050	28	28	3,000	3,050	42	42
50	100	1	1	1,050	1,100	15	15	2,050	2,100	29	29	3,050	3,100	43	43
100	150	2	2	1,100	1,150	16	16	2,100	2,150	30	30	3,100	3,150	44	44
150	200	2	2	1,150	1,200	16	16	2,150	2,200	30	30	3,150	3,200	44	44
200	250	3	3	1,200	1,250	17	17	2,200	2,250	31	31	3,200	3,250	45	45
250	300	4	4	1,250	1,300	18	18	2,250	2,300	32	32	3,250	3,300	46	46
300	350	5	5	1,300	1,350	19	19	2,300	2,350	33	33	3,300	3,350	47	47
350	400	5	5	1,350	1,400	19	19	2,350	2,400	33	33	3,350	3,400	47	47
400	450	6	6	1,400	1,450	20	20	2,400	2,450	34	34	3,400	3,450	48	48
450	500	7	7	1,450	1,500	21	21	2,450	2,500	35	35	3,450	3,500	49	49
500	550	7	7	1,500	1,550	21	21	2,500	2,550	35	35	3,500	3,550	49	49
550	600	8	8	1,550	1,600	22	22	2,550	2,600	36	36	3,550	3,600	50	50
600	650	9	9	1,600	1,650	23	23	2,600	2,650	37	37	3,600	3,650	51	51
650	700	9	9	1,650	1,700	23	23	2,650	2,700	37	37	3,650	3,700	51	51
700	750	10	10	1,700	1,750	24	24	2,700	2,750	38	38	3,700	3,750	52	52
750	800	11	11	1,750	1,800	25	25	2,750	2,800	39	39	3,750	3,800	53	53
800	850	12	12	1,800	1,850	26	26	2,800	2,850	40	40	3,800	3,850	54	54
850	900	12	12	1,850	1,900	26	26	2,850	2,900	40	40	3,850	3,900	54	54
900	950	13	13	1,900	1,950	27	27	2,900	2,950	41	41	3,900	3,950	55	55
950	1,000	14	14	1,950	2,000	28	28	2,950	3,000	42	42	3,950	4,000	56	56

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—			
4,000				7,000				10,000				13,000			
4,000	4,050	56	56	7,000	7,050	98	98	10,000	10,050	140	140	13,000	13,050	182	182
4,050	4,100	57	57	7,050	7,100	99	99	10,050	10,100	141	141	13,050	13,100	183	183
4,100	4,150	58	58	7,100	7,150	100	100	10,100	10,150	142	142	13,100	13,150	184	184
4,150	4,200	58	58	7,150	7,200	100	100	10,150	10,200	142	142	13,150	13,200	184	184
4,200	4,250	59	59	7,200	7,250	101	101	10,200	10,250	143	143	13,200	13,250	185	185
4,250	4,300	60	60	7,250	7,300	102	102	10,250	10,300	144	144	13,250	13,300	186	186
4,300	4,350	61	61	7,300	7,350	103	103	10,300	10,350	145	145	13,300	13,350	187	187
4,350	4,400	61	61	7,350	7,400	103	103	10,350	10,400	145	145	13,350	13,400	187	187
4,400	4,450	62	62	7,400	7,450	104	104	10,400	10,450	146	146	13,400	13,450	188	188
4,450	4,500	63	63	7,450	7,500	105	105	10,450	10,500	147	147	13,450	13,500	189	189
4,500	4,550	63	63	7,500	7,550	105	105	10,500	10,550	147	147	13,500	13,550	189	189
4,550	4,600	64	64	7,550	7,600	106	106	10,550	10,600	148	148	13,550	13,600	190	190
4,600	4,650	65	65	7,600	7,650	107	107	10,600	10,650	149	149	13,600	13,650	191	191
4,650	4,700	65	65	7,650	7,700	107	107	10,650	10,700	149	149	13,650	13,700	191	191
4,700	4,750	66	66	7,700	7,750	108	108	10,700	10,750	150	150	13,700	13,750	192	192
4,750	4,800	67	67	7,750	7,800	109	109	10,750	10,800	151	151	13,750	13,800	193	193
4,800	4,850	68	68	7,800	7,850	110	110	10,800	10,850	152	152	13,800	13,850	194	194
4,850	4,900	68	68	7,850	7,900	110	110	10,850	10,900	152	152	13,850	13,900	194	194
4,900	4,950	69	69	7,900	7,950	111	111	10,900	10,950	153	153	13,900	13,950	195	195
4,950	5,000	70	70	7,950	8,000	112	112	10,950	11,000	154	154	13,950	14,000	196	196
5,000				8,000				11,000				14,000			
5,000	5,050	70	70	8,000	8,050	112	112	11,000	11,050	154	154	14,000	14,050	196	196
5,050	5,100	71	71	8,050	8,100	113	113	11,050	11,100	155	155	14,050	14,100	197	197
5,100	5,150	72	72	8,100	8,150	114	114	11,100	11,150	156	156	14,100	14,150	198	198
5,150	5,200	72	72	8,150	8,200	114	114	11,150	11,200	156	156	14,150	14,200	198	198
5,200	5,250	73	73	8,200	8,250	115	115	11,200	11,250	157	157	14,200	14,250	199	199
5,250	5,300	74	74	8,250	8,300	116	116	11,250	11,300	158	158	14,250	14,300	200	200
5,300	5,350	75	75	8,300	8,350	117	117	11,300	11,350	159	159	14,300	14,350	201	201
5,350	5,400	75	75	8,350	8,400	117	117	11,350	11,400	159	159	14,350	14,400	201	201
5,400	5,450	76	76	8,400	8,450	118	118	11,400	11,450	160	160	14,400	14,450	202	202
5,450	5,500	77	77	8,450	8,500	119	119	11,450	11,500	161	161	14,450	14,500	203	203
5,500	5,550	77	77	8,500	8,550	119	119	11,500	11,550	161	161	14,500	14,550	203	203
5,550	5,600	78	78	8,550	8,600	120	120	11,550	11,600	162	162	14,550	14,600	204	204
5,600	5,650	79	79	8,600	8,650	121	121	11,600	11,650	163	163	14,600	14,650	205	205
5,650	5,700	79	79	8,650	8,700	121	121	11,650	11,700	163	163	14,650	14,700	205	205
5,700	5,750	80	80	8,700	8,750	122	122	11,700	11,750	164	164	14,700	14,750	206	206
5,750	5,800	81	81	8,750	8,800	123	123	11,750	11,800	165	165	14,750	14,800	207	207
5,800	5,850	82	82	8,800	8,850	124	124	11,800	11,850	166	166	14,800	14,850	208	208
5,850	5,900	82	82	8,850	8,900	124	124	11,850	11,900	166	166	14,850	14,900	208	208
5,900	5,950	83	83	8,900	8,950	125	125	11,900	11,950	167	167	14,900	14,950	209	209
5,950	6,000	84	84	8,950	9,000	126	126	11,950	12,000	168	168	14,950	15,000	210	210
6,000				9,000				12,000				15,000			
6,000	6,050	84	84	9,000	9,050	126	126	12,000	12,050	168	168	15,000	15,050	210	210
6,050	6,100	85	85	9,050	9,100	127	127	12,050	12,100	169	169	15,050	15,100	211	211
6,100	6,150	86	86	9,100	9,150	128	128	12,100	12,150	170	170	15,100	15,150	212	212
6,150	6,200	86	86	9,150	9,200	128	128	12,150	12,200	170	170	15,150	15,200	212	212
6,200	6,250	87	87	9,200	9,250	129	129	12,200	12,250	171	171	15,200	15,250	213	213
6,250	6,300	88	88	9,250	9,300	130	130	12,250	12,300	172	172	15,250	15,300	214	214
6,300	6,350	89	89	9,300	9,350	131	131	12,300	12,350	173	173	15,300	15,350	215	215
6,350	6,400	89	89	9,350	9,400	131	131	12,350	12,400	173	173	15,350	15,400	215	215
6,400	6,450	90	90	9,400	9,450	132	132	12,400	12,450	174	174	15,400	15,450	216	216
6,450	6,500	91	91	9,450	9,500	133	133	12,450	12,500	175	175	15,450	15,500	217	217
6,500	6,550	91	91	9,500	9,550	133	133	12,500	12,550	175	175	15,500	15,550	217	217
6,550	6,600	92	92	9,550	9,600	134	134	12,550	12,600	176	176	15,550	15,600	218	218
6,600	6,650	93	93	9,600	9,650	135	135	12,600	12,650	177	177	15,600	15,650	219	219
6,650	6,700	93	93	9,650	9,700	135	135	12,650	12,700	177	177	15,650	15,700	219	219
6,700	6,750	94	94	9,700	9,750	136	136	12,700	12,750	178	178	15,700	15,750	220	220
6,750	6,800	95	95	9,750	9,800	137	137	12,750	12,800	179	179	15,750	15,800	221	221
6,800	6,850	96	96	9,800	9,850	138	138	12,800	12,850	180	180	15,800	15,850	222	222
6,850	6,900	96	96	9,850	9,900	138	138	12,850	12,900	180	180	15,850	15,900	222	222
6,900	6,950	97	97	9,900	9,950	139	139	12,900	12,950	181	181	15,900	15,950	223	223
6,950	7,000	98	98	9,950	10,000	140	140	12,950	13,000	182	182	15,950	16,000	224	224

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—			
16,000				19,000				22,000				25,000			
16,000	16,050	224	224	19,000	19,050	266	266	22,000	22,050	315	315	25,000	25,050	368	368
16,050	16,100	225	225	19,050	19,100	267	267	22,050	22,100	316	316	25,050	25,100	369	369
16,100	16,150	226	226	19,100	19,150	268	268	22,100	22,150	317	317	25,100	25,150	370	370
16,150	16,200	226	226	19,150	19,200	268	268	22,150	22,200	318	318	25,150	25,200	371	371
16,200	16,250	227	227	19,200	19,250	269	269	22,200	22,250	319	319	25,200	25,250	371	371
16,250	16,300	228	228	19,250	19,300	270	270	22,250	22,300	320	320	25,250	25,300	372	372
16,300	16,350	229	229	19,300	19,350	271	271	22,300	22,350	321	321	25,300	25,350	373	373
16,350	16,400	229	229	19,350	19,400	271	271	22,350	22,400	322	322	25,350	25,400	374	374
16,400	16,450	230	230	19,400	19,450	272	272	22,400	22,450	322	322	25,400	25,450	375	375
16,450	16,500	231	231	19,450	19,500	273	273	22,450	22,500	323	323	25,450	25,500	376	376
16,500	16,550	231	231	19,500	19,550	273	273	22,500	22,550	324	324	25,500	25,550	377	377
16,550	16,600	232	232	19,550	19,600	274	274	22,550	22,600	325	325	25,550	25,600	378	378
16,600	16,650	233	233	19,600	19,650	275	275	22,600	22,650	326	326	25,600	25,650	378	378
16,650	16,700	233	233	19,650	19,700	275	275	22,650	22,700	327	327	25,650	25,700	379	379
16,700	16,750	234	234	19,700	19,750	276	276	22,700	22,750	328	328	25,700	25,750	380	380
16,750	16,800	235	235	19,750	19,800	277	277	22,750	22,800	329	329	25,750	25,800	381	381
16,800	16,850	236	236	19,800	19,850	278	278	22,800	22,850	329	329	25,800	25,850	382	382
16,850	16,900	236	236	19,850	19,900	278	278	22,850	22,900	330	330	25,850	25,900	383	383
16,900	16,950	237	237	19,900	19,950	279	279	22,900	22,950	331	331	25,900	25,950	384	384
16,950	17,000	238	238	19,950	20,000	280	280	22,950	23,000	332	332	25,950	26,000	385	385
17,000				20,000				23,000				26,000			
17,000	17,050	238	238	20,000	20,050	280	280	23,000	23,050	333	333	26,000	26,050	385	385
17,050	17,100	239	239	20,050	20,100	281	281	23,050	23,100	334	334	26,050	26,100	386	386
17,100	17,150	240	240	20,100	20,150	282	282	23,100	23,150	335	335	26,100	26,150	387	387
17,150	17,200	240	240	20,150	20,200	283	283	23,150	23,200	336	336	26,150	26,200	388	388
17,200	17,250	241	241	20,200	20,250	284	284	23,200	23,250	336	336	26,200	26,250	389	389
17,250	17,300	242	242	20,250	20,300	285	285	23,250	23,300	337	337	26,250	26,300	390	390
17,300	17,350	243	243	20,300	20,350	286	286	23,300	23,350	338	338	26,300	26,350	391	391
17,350	17,400	243	243	20,350	20,400	287	287	23,350	23,400	339	339	26,350	26,400	392	392
17,400	17,450	244	244	20,400	20,450	287	287	23,400	23,450	340	340	26,400	26,450	392	392
17,450	17,500	245	245	20,450	20,500	288	288	23,450	23,500	341	341	26,450	26,500	393	393
17,500	17,550	245	245	20,500	20,550	289	289	23,500	23,550	342	342	26,500	26,550	394	394
17,550	17,600	246	246	20,550	20,600	290	290	23,550	23,600	343	343	26,550	26,600	395	395
17,600	17,650	247	247	20,600	20,650	291	291	23,600	23,650	343	343	26,600	26,650	396	396
17,650	17,700	247	247	20,650	20,700	292	292	23,650	23,700	344	344	26,650	26,700	397	397
17,700	17,750	248	248	20,700	20,750	293	293	23,700	23,750	345	345	26,700	26,750	398	398
17,750	17,800	249	249	20,750	20,800	294	294	23,750	23,800	346	346	26,750	26,800	399	399
17,800	17,850	250	250	20,800	20,850	294	294	23,800	23,850	347	347	26,800	26,850	399	399
17,850	17,900	250	250	20,850	20,900	295	295	23,850	23,900	348	348	26,850	26,900	400	400
17,900	17,950	251	251	20,900	20,950	296	296	23,900	23,950	349	349	26,900	26,950	401	401
17,950	18,000	252	252	20,950	21,000	297	297	23,950	24,000	350	350	26,950	27,000	402	402
18,000				21,000				24,000				27,000			
18,000	18,050	252	252	21,000	21,050	298	298	24,000	24,050	350	350	27,000	27,050	403	403
18,050	18,100	253	253	21,050	21,100	299	299	24,050	24,100	351	351	27,050	27,100	404	404
18,100	18,150	254	254	21,100	21,150	300	300	24,100	24,150	352	352	27,100	27,150	405	405
18,150	18,200	254	254	21,150	21,200	301	301	24,150	24,200	353	353	27,150	27,200	406	406
18,200	18,250	255	255	21,200	21,250	301	301	24,200	24,250	354	354	27,200	27,250	406	406
18,250	18,300	256	256	21,250	21,300	302	302	24,250	24,300	355	355	27,250	27,300	407	407
18,300	18,350	257	257	21,300	21,350	303	303	24,300	24,350	356	356	27,300	27,350	408	408
18,350	18,400	257	257	21,350	21,400	304	304	24,350	24,400	357	357	27,350	27,400	409	409
18,400	18,450	258	258	21,400	21,450	305	305	24,400	24,450	357	357	27,400	27,450	410	410
18,450	18,500	259	259	21,450	21,500	306	306	24,450	24,500	358	358	27,450	27,500	411	411
18,500	18,550	259	259	21,500	21,550	307	307	24,500	24,550	359	359	27,500	27,550	412	412
18,550	18,600	260	260	21,550	21,600	308	308	24,550	24,600	360	360	27,550	27,600	413	413
18,600	18,650	261	261	21,600	21,650	308	308	24,600	24,650	361	361	27,600	27,650	413	413
18,650	18,700	261	261	21,650	21,700	309	309	24,650	24,700	362	362	27,650	27,700	414	414
18,700	18,750	262	262	21,700	21,750	310	310	24,700	24,750	363	363	27,700	27,750	415	415
18,750	18,800	263	263	21,750	21,800	311	311	24,750	24,800	364	364	27,750	27,800	416	416
18,800	18,850	264	264	21,800	21,850	312	312	24,800	24,850	364	364	27,800	27,850	417	417
18,850	18,900	264	264	21,850	21,900	313	313	24,850	24,900	365	365	27,850	27,900	418	418
18,900	18,950	265	265	21,900	21,950	314	314	24,900	24,950	366	366	27,900	27,950	419	419
18,950	19,000	266	266	21,950	22,000	315	315	24,950	25,000	367	367	27,950	28,000	420	420

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—	
28,000				31,000				34,000				37,000			
28,000	28,050	420	420	31,000	31,050	473	473	34,000	34,050	525	525	37,000	37,050	613	578
28,050	28,100	421	421	31,050	31,100	474	474	34,050	34,100	526	526	37,050	37,100	615	579
28,100	28,150	422	422	31,100	31,150	475	475	34,100	34,150	527	527	37,100	37,150	617	580
28,150	28,200	423	423	31,150	31,200	476	476	34,150	34,200	528	528	37,150	37,200	619	581
28,200	28,250	424	424	31,200	31,250	476	476	34,200	34,250	529	529	37,200	37,250	620	581
28,250	28,300	425	425	31,250	31,300	477	477	34,250	34,300	530	530	37,250	37,300	622	582
28,300	28,350	426	426	31,300	31,350	478	478	34,300	34,350	531	531	37,300	37,350	624	583
28,350	28,400	427	427	31,350	31,400	479	479	34,350	34,400	532	532	37,350	37,400	626	584
28,400	28,450	427	427	31,400	31,450	480	480	34,400	34,450	532	532	37,400	37,450	627	585
28,450	28,500	428	428	31,450	31,500	481	481	34,450	34,500	533	533	37,450	37,500	629	586
28,500	28,550	429	429	31,500	31,550	482	482	34,500	34,550	534	534	37,500	37,550	631	587
28,550	28,600	430	430	31,550	31,600	483	483	34,550	34,600	535	535	37,550	37,600	633	588
28,600	28,650	431	431	31,600	31,650	483	483	34,600	34,650	536	536	37,600	37,650	634	588
28,650	28,700	432	432	31,650	31,700	484	484	34,650	34,700	537	537	37,650	37,700	636	589
28,700	28,750	433	433	31,700	31,750	485	485	34,700	34,750	538	538	37,700	37,750	638	590
28,750	28,800	434	434	31,750	31,800	486	486	34,750	34,800	539	539	37,750	37,800	640	591
28,800	28,850	434	434	31,800	31,850	487	487	34,800	34,850	539	539	37,800	37,850	641	592
28,850	28,900	435	435	31,850	31,900	488	488	34,850	34,900	540	540	37,850	37,900	643	593
28,900	28,950	436	436	31,900	31,950	489	489	34,900	34,950	541	541	37,900	37,950	645	594
28,950	29,000	437	437	31,950	32,000	490	490	34,950	35,000	542	542	37,950	38,000	647	595
29,000				32,000				35,000				38,000			
29,000	29,050	438	438	32,000	32,050	490	490	35,000	35,050	543	543	38,000	38,050	648	595
29,050	29,100	439	439	32,050	32,100	491	491	35,050	35,100	545	544	38,050	38,100	650	596
29,100	29,150	440	440	32,100	32,150	492	492	35,100	35,150	547	545	38,100	38,150	652	597
29,150	29,200	441	441	32,150	32,200	493	493	35,150	35,200	549	546	38,150	38,200	654	598
29,200	29,250	441	441	32,200	32,250	494	494	35,200	35,250	550	546	38,200	38,250	655	599
29,250	29,300	442	442	32,250	32,300	495	495	35,250	35,300	552	547	38,250	38,300	657	600
29,300	29,350	443	443	32,300	32,350	496	496	35,300	35,350	554	548	38,300	38,350	659	601
29,350	29,400	444	444	32,350	32,400	497	497	35,350	35,400	556	549	38,350	38,400	661	602
29,400	29,450	445	445	32,400	32,450	497	497	35,400	35,450	557	550	38,400	38,450	662	602
29,450	29,500	446	446	32,450	32,500	498	498	35,450	35,500	559	551	38,450	38,500	664	603
29,500	29,550	447	447	32,500	32,550	499	499	35,500	35,550	561	552	38,500	38,550	666	604
29,550	29,600	448	448	32,550	32,600	500	500	35,550	35,600	563	553	38,550	38,600	668	605
29,600	29,650	448	448	32,600	32,650	501	501	35,600	35,650	564	553	38,600	38,650	669	606
29,650	29,700	449	449	32,650	32,700	502	502	35,650	35,700	566	554	38,650	38,700	671	607
29,700	29,750	450	450	32,700	32,750	503	503	35,700	35,750	568	555	38,700	38,750	673	608
29,750	29,800	451	451	32,750	32,800	504	504	35,750	35,800	570	556	38,750	38,800	675	609
29,800	29,850	452	452	32,800	32,850	504	504	35,800	35,850	571	557	38,800	38,850	676	609
29,850	29,900	453	453	32,850	32,900	505	505	35,850	35,900	573	558	38,850	38,900	678	610
29,900	29,950	454	454	32,900	32,950	506	506	35,900	35,950	575	559	38,900	38,950	680	611
29,950	30,000	455	455	32,950	33,000	507	507	35,950	36,000	577	560	38,950	39,000	682	612
30,000				33,000				36,000				39,000			
30,000	30,050	455	455	33,000	33,050	508	508	36,000	36,050	578	560	39,000	39,050	683	613
30,050	30,100	456	456	33,050	33,100	509	509	36,050	36,100	580	561	39,050	39,100	685	614
30,100	30,150	457	457	33,100	33,150	510	510	36,100	36,150	582	562	39,100	39,150	687	615
30,150	30,200	458	458	33,150	33,200	511	511	36,150	36,200	584	563	39,150	39,200	689	616
30,200	30,250	459	459	33,200	33,250	511	511	36,200	36,250	585	564	39,200	39,250	690	616
30,250	30,300	460	460	33,250	33,300	512	512	36,250	36,300	587	565	39,250	39,300	692	617
30,300	30,350	461	461	33,300	33,350	513	513	36,300	36,350	589	566	39,300	39,350	694	618
30,350	30,400	462	462	33,350	33,400	514	514	36,350	36,400	591	567	39,350	39,400	696	619
30,400	30,450	462	462	33,400	33,450	515	515	36,400	36,450	592	567	39,400	39,450	697	620
30,450	30,500	463	463	33,450	33,500	516	516	36,450	36,500	594	568	39,450	39,500	699	621
30,500	30,550	464	464	33,500	33,550	517	517	36,500	36,550	596	569	39,500	39,550	701	622
30,550	30,600	465	465	33,550	33,600	518	518	36,550	36,600	598	570	39,550	39,600	703	623
30,600	30,650	466	466	33,600	33,650	518	518	36,600	36,650	599	571	39,600	39,650	704	623
30,650	30,700	467	467	33,650	33,700	519	519	36,650	36,700	601	572	39,650	39,700	706	624
30,700	30,750	468	468	33,700	33,750	520	520	36,700	36,750	603	573	39,700	39,750	708	625
30,750	30,800	469	469	33,750	33,800	521	521	36,750	36,800	605	574	39,750	39,800	710	626
30,800	30,850	469	469	33,800	33,850	522	522	36,800	36,850	606	574	39,800	39,850	711	627
30,850	30,900	470	470	33,850	33,900	523	523	36,850	36,900	608	575	39,850	39,900	713	628
30,900	30,950	471	471	33,900	33,950	524	524	36,900	36,950	610	576	39,900	39,950	715	629
30,950	31,000	472	472	33,950	34,000	525	525	36,950	37,000	612	577	39,950	40,000	717	630

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—	
40,000				43,000				46,000				49,000			
40,000	40,050	719	630	43,000	43,050	885	683	46,000	46,050	1,050	735	49,000	49,050	1,216	788
40,050	40,100	722	631	43,050	43,100	887	684	46,050	46,100	1,053	736	49,050	49,100	1,219	789
40,100	40,150	724	632	43,100	43,150	890	685	46,100	46,150	1,056	737	49,100	49,150	1,222	790
40,150	40,200	727	633	43,150	43,200	893	686	46,150	46,200	1,059	738	49,150	49,200	1,224	791
40,200	40,250	730	634	43,200	43,250	896	686	46,200	46,250	1,061	739	49,200	49,250	1,227	791
40,250	40,300	733	635	43,250	43,300	898	687	46,250	46,300	1,064	740	49,250	49,300	1,230	792
40,300	40,350	735	636	43,300	43,350	901	688	46,300	46,350	1,067	741	49,300	49,350	1,233	793
40,350	40,400	738	637	43,350	43,400	904	689	46,350	46,400	1,070	742	49,350	49,400	1,235	794
40,400	40,450	741	637	43,400	43,450	907	690	46,400	46,450	1,072	742	49,400	49,450	1,238	795
40,450	40,500	744	638	43,450	43,500	909	691	46,450	46,500	1,075	743	49,450	49,500	1,241	796
40,500	40,550	747	639	43,500	43,550	912	692	46,500	46,550	1,078	744	49,500	49,550	1,244	797
40,550	40,600	749	640	43,550	43,600	915	693	46,550	46,600	1,081	745	49,550	49,600	1,247	798
40,600	40,650	752	641	43,600	43,650	918	693	46,600	46,650	1,084	746	49,600	49,650	1,249	798
40,650	40,700	755	642	43,650	43,700	921	694	46,650	46,700	1,086	747	49,650	49,700	1,252	799
40,700	40,750	758	643	43,700	43,750	923	695	46,700	46,750	1,089	748	49,700	49,750	1,255	800
40,750	40,800	760	644	43,750	43,800	926	696	46,750	46,800	1,092	749	49,750	49,800	1,258	801
40,800	40,850	763	644	43,800	43,850	929	697	46,800	46,850	1,095	749	49,800	49,850	1,260	802
40,850	40,900	766	645	43,850	43,900	932	698	46,850	46,900	1,097	750	49,850	49,900	1,263	803
40,900	40,950	769	646	43,900	43,950	934	699	46,900	46,950	1,100	751	49,900	49,950	1,266	804
40,950	41,000	771	647	43,950	44,000	937	700	46,950	47,000	1,103	752	49,950	50,000	1,269	805
41,000				44,000				47,000				50,000			
41,000	41,050	774	648	44,000	44,050	940	700	47,000	47,050	1,106	753	50,000	50,050	1,271	806
41,050	41,100	777	649	44,050	44,100	943	701	47,050	47,100	1,108	754	50,050	50,100	1,274	807
41,100	41,150	780	650	44,100	44,150	945	702	47,100	47,150	1,111	755	50,100	50,150	1,277	808
41,150	41,200	782	651	44,150	44,200	948	703	47,150	47,200	1,114	756	50,150	50,200	1,280	809
41,200	41,250	785	651	44,200	44,250	951	704	47,200	47,250	1,117	756	50,200	50,250	1,282	811
41,250	41,300	788	652	44,250	44,300	954	705	47,250	47,300	1,119	757	50,250	50,300	1,285	812
41,300	41,350	791	653	44,300	44,350	956	706	47,300	47,350	1,122	758	50,300	50,350	1,288	813
41,350	41,400	793	654	44,350	44,400	959	707	47,350	47,400	1,125	759	50,350	50,400	1,291	814
41,400	41,450	796	655	44,400	44,450	962	707	47,400	47,450	1,128	760	50,400	50,450	1,293	815
41,450	41,500	799	656	44,450	44,500	965	708	47,450	47,500	1,130	761	50,450	50,500	1,296	817
41,500	41,550	802	657	44,500	44,550	968	709	47,500	47,550	1,133	762	50,500	50,550	1,299	818
41,550	41,600	805	658	44,550	44,600	970	710	47,550	47,600	1,136	763	50,550	50,600	1,302	819
41,600	41,650	807	658	44,600	44,650	973	711	47,600	47,650	1,139	763	50,600	50,650	1,305	820
41,650	41,700	810	659	44,650	44,700	976	712	47,650	47,700	1,142	764	50,650	50,700	1,307	822
41,700	41,750	813	660	44,700	44,750	979	713	47,700	47,750	1,144	765	50,700	50,750	1,310	823
41,750	41,800	816	661	44,750	44,800	981	714	47,750	47,800	1,147	766	50,750	50,800	1,313	824
41,800	41,850	818	662	44,800	44,850	984	714	47,800	47,850	1,150	767	50,800	50,850	1,316	825
41,850	41,900	821	663	44,850	44,900	987	715	47,850	47,900	1,153	768	50,850	50,900	1,318	826
41,900	41,950	824	664	44,900	44,950	990	716	47,900	47,950	1,155	769	50,900	50,950	1,321	828
41,950	42,000	827	665	44,950	45,000	992	717	47,950	48,000	1,158	770	50,950	51,000	1,324	829
42,000				45,000				48,000				51,000			
42,000	42,050	829	665	45,000	45,050	995	718	48,000	48,050	1,161	770	51,000	51,050	1,327	830
42,050	42,100	832	666	45,050	45,100	998	719	48,050	48,100	1,164	771	51,050	51,100	1,329	831
42,100	42,150	835	667	45,100	45,150	1,001	720	48,100	48,150	1,166	772	51,100	51,150	1,332	833
42,150	42,200	838	668	45,150	45,200	1,003	721	48,150	48,200	1,169	773	51,150	51,200	1,335	834
42,200	42,250	840	669	45,200	45,250	1,006	721	48,200	48,250	1,172	774	51,200	51,250	1,338	835
42,250	42,300	843	670	45,250	45,300	1,009	722	48,250	48,300	1,175	775	51,250	51,300	1,340	836
42,300	42,350	846	671	45,300	45,350	1,012	723	48,300	48,350	1,177	776	51,300	51,350	1,343	837
42,350	42,400	849	672	45,350	45,400	1,014	724	48,350	48,400	1,180	777	51,350	51,400	1,346	839
42,400	42,450	851	672	45,400	45,450	1,017	725	48,400	48,450	1,183	777	51,400	51,450	1,349	840
42,450	42,500	854	673	45,450	45,500	1,020	726	48,450	48,500	1,186	778	51,450	51,500	1,351	841
42,500	42,550	857	674	45,500	45,550	1,023	727	48,500	48,550	1,189	779	51,500	51,550	1,354	842
42,550	42,600	860	675	45,550	45,600	1,026	728	48,550	48,600	1,191	780	51,550	51,600	1,357	844
42,600	42,650	863	676	45,600	45,650	1,028	728	48,600	48,650	1,194	781	51,600	51,650	1,360	845
42,650	42,700	865	677	45,650	45,700	1,031	729	48,650	48,700	1,197	782	51,650	51,700	1,363	846
42,700	42,750	868	678	45,700	45,750	1,034	730	48,700	48,750	1,200	783	51,700	51,750	1,365	847
42,750	42,800	871	679	45,750	45,800	1,037	731	48,750	48,800	1,202	784	51,750	51,800	1,368	848
42,800	42,850	874	679	45,800	45,850	1,039	732	48,800	48,850	1,205	784	51,800	51,850	1,371	850
42,850	42,900	876	680	45,850	45,900	1,042	733	48,850	48,900	1,208	785	51,850	51,900	1,374	851
42,900	42,950	879	681	45,900	45,950	1,045	734	48,900	48,950	1,211	786	51,900	51,950	1,376	852
42,950	43,000	882	682	45,950	46,000	1,048	735	48,950	49,000	1,213	787	51,950	52,000	1,379	853

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—			
52,000				55,000				58,000				61,000			
52,000	52,050	1,382	855	55,000	55,050	1,548	928	58,000	58,050	1,713	1,002	61,000	61,050	1,879	1,075
52,050	52,100	1,385	856	55,050	55,100	1,550	929	58,050	58,100	1,716	1,003	61,050	61,100	1,882	1,076
52,100	52,150	1,387	857	55,100	55,150	1,553	931	58,100	58,150	1,719	1,004	61,100	61,150	1,885	1,078
52,150	52,200	1,390	858	55,150	55,200	1,556	932	58,150	58,200	1,722	1,005	61,150	61,200	1,887	1,079
52,200	52,250	1,393	860	55,200	55,250	1,559	933	58,200	58,250	1,724	1,007	61,200	61,250	1,890	1,080
52,250	52,300	1,396	861	55,250	55,300	1,561	934	58,250	58,300	1,727	1,008	61,250	61,300	1,893	1,081
52,300	52,350	1,398	862	55,300	55,350	1,564	935	58,300	58,350	1,730	1,009	61,300	61,350	1,896	1,082
52,350	52,400	1,401	863	55,350	55,400	1,567	937	58,350	58,400	1,733	1,010	61,350	61,400	1,898	1,084
52,400	52,450	1,404	864	55,400	55,450	1,570	938	58,400	58,450	1,735	1,011	61,400	61,450	1,901	1,085
52,450	52,500	1,407	866	55,450	55,500	1,572	939	58,450	58,500	1,738	1,013	61,450	61,500	1,904	1,086
52,500	52,550	1,410	867	55,500	55,550	1,575	940	58,500	58,550	1,741	1,014	61,500	61,550	1,907	1,087
52,550	52,600	1,412	868	55,550	55,600	1,578	942	58,550	58,600	1,744	1,015	61,550	61,600	1,910	1,089
52,600	52,650	1,415	869	55,600	55,650	1,581	943	58,600	58,650	1,747	1,016	61,600	61,650	1,912	1,090
52,650	52,700	1,418	871	55,650	55,700	1,584	944	58,650	58,700	1,749	1,018	61,650	61,700	1,915	1,091
52,700	52,750	1,421	872	55,700	55,750	1,586	945	58,700	58,750	1,752	1,019	61,700	61,750	1,918	1,092
52,750	52,800	1,423	873	55,750	55,800	1,589	946	58,750	58,800	1,755	1,020	61,750	61,800	1,921	1,093
52,800	52,850	1,426	874	55,800	55,850	1,592	948	58,800	58,850	1,758	1,021	61,800	61,850	1,923	1,095
52,850	52,900	1,429	875	55,850	55,900	1,595	949	58,850	58,900	1,760	1,022	61,850	61,900	1,926	1,096
52,900	52,950	1,432	877	55,900	55,950	1,597	950	58,900	58,950	1,763	1,024	61,900	61,950	1,929	1,097
52,950	53,000	1,434	878	55,950	56,000	1,600	951	58,950	59,000	1,766	1,025	61,950	62,000	1,932	1,098
53,000				56,000				59,000				62,000			
53,000	53,050	1,437	879	56,000	56,050	1,603	953	59,000	59,050	1,769	1,026	62,000	62,050	1,934	1,100
53,050	53,100	1,440	880	56,050	56,100	1,606	954	59,050	59,100	1,771	1,027	62,050	62,100	1,937	1,101
53,100	53,150	1,443	882	56,100	56,150	1,608	955	59,100	59,150	1,774	1,029	62,100	62,150	1,940	1,102
53,150	53,200	1,445	883	56,150	56,200	1,611	956	59,150	59,200	1,777	1,030	62,150	62,200	1,943	1,103
53,200	53,250	1,448	884	56,200	56,250	1,614	958	59,200	59,250	1,780	1,031	62,200	62,250	1,945	1,105
53,250	53,300	1,451	885	56,250	56,300	1,617	959	59,250	59,300	1,782	1,032	62,250	62,300	1,948	1,106
53,300	53,350	1,454	886	56,300	56,350	1,619	960	59,300	59,350	1,785	1,033	62,300	62,350	1,951	1,107
53,350	53,400	1,456	888	56,350	56,400	1,622	961	59,350	59,400	1,788	1,035	62,350	62,400	1,954	1,108
53,400	53,450	1,459	889	56,400	56,450	1,625	962	59,400	59,450	1,791	1,036	62,400	62,450	1,956	1,109
53,450	53,500	1,462	890	56,450	56,500	1,628	964	59,450	59,500	1,793	1,037	62,450	62,500	1,959	1,111
53,500	53,550	1,465	891	56,500	56,550	1,631	965	59,500	59,550	1,796	1,038	62,500	62,550	1,962	1,112
53,550	53,600	1,468	893	56,550	56,600	1,633	966	59,550	59,600	1,799	1,040	62,550	62,600	1,965	1,113
53,600	53,650	1,470	894	56,600	56,650	1,636	967	59,600	59,650	1,802	1,041	62,600	62,650	1,968	1,114
53,650	53,700	1,473	895	56,650	56,700	1,639	969	59,650	59,700	1,805	1,042	62,650	62,700	1,970	1,116
53,700	53,750	1,476	896	56,700	56,750	1,642	970	59,700	59,750	1,807	1,043	62,700	62,750	1,973	1,117
53,750	53,800	1,479	897	56,750	56,800	1,644	971	59,750	59,800	1,810	1,044	62,750	62,800	1,976	1,118
53,800	53,850	1,481	899	56,800	56,850	1,647	972	59,800	59,850	1,813	1,046	62,800	62,850	1,979	1,119
53,850	53,900	1,484	900	56,850	56,900	1,650	973	59,850	59,900	1,816	1,047	62,850	62,900	1,981	1,120
53,900	53,950	1,487	901	56,900	56,950	1,653	975	59,900	59,950	1,818	1,048	62,900	62,950	1,984	1,122
53,950	54,000	1,490	902	56,950	57,000	1,655	976	59,950	60,000	1,821	1,049	62,950	63,000	1,987	1,123
54,000				57,000				60,000				63,000			
54,000	54,050	1,492	904	57,000	57,050	1,658	977	60,000	60,050	1,824	1,051	63,000	63,050	1,990	1,124
54,050	54,100	1,495	905	57,050	57,100	1,661	978	60,050	60,100	1,827	1,052	63,050	63,100	1,992	1,125
54,100	54,150	1,498	906	57,100	57,150	1,664	980	60,100	60,150	1,829	1,053	63,100	63,150	1,995	1,127
54,150	54,200	1,501	907	57,150	57,200	1,666	981	60,150	60,200	1,832	1,054	63,150	63,200	1,998	1,128
54,200	54,250	1,503	909	57,200	57,250	1,669	982	60,200	60,250	1,835	1,056	63,200	63,250	2,001	1,129
54,250	54,300	1,506	910	57,250	57,300	1,672	983	60,250	60,300	1,838	1,057	63,250	63,300	2,003	1,130
54,300	54,350	1,509	911	57,300	57,350	1,675	984	60,300	60,350	1,840	1,058	63,300	63,350	2,006	1,131
54,350	54,400	1,512	912	57,350	57,400	1,677	986	60,350	60,400	1,843	1,059	63,350	63,400	2,009	1,133
54,400	54,450	1,514	913	57,400	57,450	1,680	987	60,400	60,450	1,846	1,060	63,400	63,450	2,012	1,134
54,450	54,500	1,517	915	57,450	57,500	1,683	988	60,450	60,500	1,849	1,062	63,450	63,500	2,014	1,135
54,500	54,550	1,520	916	57,500	57,550	1,686	989	60,500	60,550	1,852	1,063	63,500	63,550	2,017	1,136
54,550	54,600	1,523	917	57,550	57,600	1,689	991	60,550	60,600	1,854	1,064	63,550	63,600	2,020	1,138
54,600	54,650	1,526	918	57,600	57,650	1,691	992	60,600	60,650	1,857	1,065	63,600	63,650	2,023	1,139
54,650	54,700	1,528	920	57,650	57,700	1,694	993	60,650	60,700	1,860	1,067	63,650	63,700	2,026	1,140
54,700	54,750	1,531	921	57,700	57,750	1,697	994	60,700	60,750	1,863	1,068	63,700	63,750	2,028	1,141
54,750	54,800	1,534	922	57,750	57,800	1,700	995	60,750	60,800	1,865	1,069	63,750	63,800	2,031	1,142
54,800	54,850	1,537	923	57,800	57,850	1,702	997	60,800	60,850	1,868	1,070	63,800	63,850	2,034	1,144
54,850	54,900	1,539	924	57,850	57,900	1,705	998	60,850	60,900	1,871	1,071	63,850	63,900	2,037	1,145
54,900	54,950	1,542	926	57,900	57,950	1,708	999	60,900	60,950	1,874	1,073	63,900	63,950	2,039	1,146
54,950	55,000	1,545	927	57,950	58,000	1,711	1,000	60,950	61,000	1,876	1,074	63,950	64,000	2,042	1,147

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—			
64,000				67,000				70,000				73,000			
64,000	64,050	2,045	1,149	67,000	67,050	2,211	1,222	70,000	70,050	2,376	1,296	73,000	73,050	2,542	1,401
64,050	64,100	2,048	1,150	67,050	67,100	2,213	1,223	70,050	70,100	2,379	1,298	73,050	73,100	2,545	1,403
64,100	64,150	2,050	1,151	67,100	67,150	2,216	1,225	70,100	70,150	2,382	1,299	73,100	73,150	2,548	1,404
64,150	64,200	2,053	1,152	67,150	67,200	2,219	1,226	70,150	70,200	2,385	1,301	73,150	73,200	2,550	1,406
64,200	64,250	2,056	1,154	67,200	67,250	2,222	1,227	70,200	70,250	2,387	1,303	73,200	73,250	2,553	1,408
64,250	64,300	2,059	1,155	67,250	67,300	2,224	1,228	70,250	70,300	2,390	1,305	73,250	73,300	2,556	1,410
64,300	64,350	2,061	1,156	67,300	67,350	2,227	1,229	70,300	70,350	2,393	1,306	73,300	73,350	2,559	1,411
64,350	64,400	2,064	1,157	67,350	67,400	2,230	1,231	70,350	70,400	2,396	1,308	73,350	73,400	2,561	1,413
64,400	64,450	2,067	1,158	67,400	67,450	2,233	1,232	70,400	70,450	2,398	1,310	73,400	73,450	2,564	1,415
64,450	64,500	2,070	1,160	67,450	67,500	2,235	1,233	70,450	70,500	2,401	1,312	73,450	73,500	2,567	1,417
64,500	64,550	2,073	1,161	67,500	67,550	2,238	1,234	70,500	70,550	2,404	1,313	73,500	73,550	2,570	1,418
64,550	64,600	2,075	1,162	67,550	67,600	2,241	1,236	70,550	70,600	2,407	1,315	73,550	73,600	2,573	1,420
64,600	64,650	2,078	1,163	67,600	67,650	2,244	1,237	70,600	70,650	2,410	1,317	73,600	73,650	2,575	1,422
64,650	64,700	2,081	1,165	67,650	67,700	2,247	1,238	70,650	70,700	2,412	1,319	73,650	73,700	2,578	1,424
64,700	64,750	2,084	1,166	67,700	67,750	2,249	1,239	70,700	70,750	2,415	1,320	73,700	73,750	2,581	1,425
64,750	64,800	2,086	1,167	67,750	67,800	2,252	1,240	70,750	70,800	2,418	1,322	73,750	73,800	2,584	1,427
64,800	64,850	2,089	1,168	67,800	67,850	2,255	1,242	70,800	70,850	2,421	1,324	73,800	73,850	2,586	1,429
64,850	64,900	2,092	1,169	67,850	67,900	2,258	1,243	70,850	70,900	2,423	1,326	73,850	73,900	2,589	1,431
64,900	64,950	2,095	1,171	67,900	67,950	2,260	1,244	70,900	70,950	2,426	1,327	73,900	73,950	2,592	1,432
64,950	65,000	2,097	1,172	67,950	68,000	2,263	1,245	70,950	71,000	2,429	1,329	73,950	74,000	2,595	1,434
65,000				68,000				71,000				74,000			
65,000	65,050	2,100	1,173	68,000	68,050	2,266	1,247	71,000	71,050	2,432	1,331	74,000	74,050	2,597	1,436
65,050	65,100	2,103	1,174	68,050	68,100	2,269	1,248	71,050	71,100	2,434	1,333	74,050	74,100	2,600	1,438
65,100	65,150	2,106	1,176	68,100	68,150	2,271	1,249	71,100	71,150	2,437	1,334	74,100	74,150	2,603	1,439
65,150	65,200	2,108	1,177	68,150	68,200	2,274	1,250	71,150	71,200	2,440	1,336	74,150	74,200	2,606	1,441
65,200	65,250	2,111	1,178	68,200	68,250	2,277	1,252	71,200	71,250	2,443	1,338	74,200	74,250	2,608	1,443
65,250	65,300	2,114	1,179	68,250	68,300	2,280	1,253	71,250	71,300	2,445	1,340	74,250	74,300	2,611	1,445
65,300	65,350	2,117	1,180	68,300	68,350	2,282	1,254	71,300	71,350	2,448	1,341	74,300	74,350	2,614	1,446
65,350	65,400	2,119	1,182	68,350	68,400	2,285	1,255	71,350	71,400	2,451	1,343	74,350	74,400	2,617	1,448
65,400	65,450	2,122	1,183	68,400	68,450	2,288	1,256	71,400	71,450	2,454	1,345	74,400	74,450	2,619	1,450
65,450	65,500	2,125	1,184	68,450	68,500	2,291	1,258	71,450	71,500	2,456	1,347	74,450	74,500	2,622	1,452
65,500	65,550	2,128	1,185	68,500	68,550	2,294	1,259	71,500	71,550	2,459	1,348	74,500	74,550	2,625	1,453
65,550	65,600	2,131	1,187	68,550	68,600	2,296	1,260	71,550	71,600	2,462	1,350	74,550	74,600	2,628	1,455
65,600	65,650	2,133	1,188	68,600	68,650	2,299	1,261	71,600	71,650	2,465	1,352	74,600	74,650	2,631	1,457
65,650	65,700	2,136	1,189	68,650	68,700	2,302	1,263	71,650	71,700	2,468	1,354	74,650	74,700	2,633	1,459
65,700	65,750	2,139	1,190	68,700	68,750	2,305	1,264	71,700	71,750	2,470	1,355	74,700	74,750	2,636	1,460
65,750	65,800	2,142	1,191	68,750	68,800	2,307	1,265	71,750	71,800	2,473	1,357	74,750	74,800	2,639	1,462
65,800	65,850	2,144	1,193	68,800	68,850	2,310	1,266	71,800	71,850	2,476	1,359	74,800	74,850	2,642	1,464
65,850	65,900	2,147	1,194	68,850	68,900	2,313	1,267	71,850	71,900	2,479	1,361	74,850	74,900	2,644	1,466
65,900	65,950	2,150	1,195	68,900	68,950	2,316	1,269	71,900	71,950	2,481	1,362	74,900	74,950	2,647	1,467
65,950	66,000	2,153	1,196	68,950	69,000	2,318	1,270	71,950	72,000	2,484	1,364	74,950	75,000	2,650	1,469
66,000				69,000				72,000				75,000			
66,000	66,050	2,155	1,198	69,000	69,050	2,321	1,271	72,000	72,050	2,487	1,366	75,000	75,050	2,653	1,471
66,050	66,100	2,158	1,199	69,050	69,100	2,324	1,272	72,050	72,100	2,490	1,368	75,050	75,100	2,656	1,473
66,100	66,150	2,161	1,200	69,100	69,150	2,327	1,274	72,100	72,150	2,492	1,369	75,100	75,150	2,659	1,474
66,150	66,200	2,164	1,201	69,150	69,200	2,329	1,275	72,150	72,200	2,495	1,371	75,150	75,200	2,662	1,476
66,200	66,250	2,166	1,203	69,200	69,250	2,332	1,276	72,200	72,250	2,498	1,373	75,200	75,250	2,666	1,478
66,250	66,300	2,169	1,204	69,250	69,300	2,335	1,277	72,250	72,300	2,501	1,375	75,250	75,300	2,669	1,480
66,300	66,350	2,172	1,205	69,300	69,350	2,338	1,278	72,300	72,350	2,503	1,376	75,300	75,350	2,672	1,481
66,350	66,400	2,175	1,206	69,350	69,400	2,340	1,280	72,350	72,400	2,506	1,378	75,350	75,400	2,675	1,483
66,400	66,450	2,177	1,207	69,400	69,450	2,343	1,281	72,400	72,450	2,509	1,380	75,400	75,450	2,678	1,485
66,450	66,500	2,180	1,209	69,450	69,500	2,346	1,282	72,450	72,500	2,512	1,382	75,450	75,500	2,682	1,487
66,500	66,550	2,183	1,210	69,500	69,550	2,349	1,283	72,500	72,550	2,515	1,383	75,500	75,550	2,685	1,488
66,550	66,600	2,186	1,211	69,550	69,600	2,352	1,285	72,550	72,600	2,517	1,385	75,550	75,600	2,688	1,490
66,600	66,650	2,189	1,212	69,600	69,650	2,354	1,286	72,600	72,650	2,520	1,387	75,600	75,650	2,691	1,492
66,650	66,700	2,191	1,214	69,650	69,700	2,357	1,287	72,650	72,700	2,523	1,389	75,650	75,700	2,694	1,494
66,700	66,750	2,194	1,215	69,700	69,750	2,360	1,288	72,700	72,750	2,526	1,390	75,700	75,750	2,697	1,495
66,750	66,800	2,197	1,216	69,750	69,800	2,363	1,289	72,750	72,800	2,528	1,392	75,750	75,800	2,701	1,497
66,800	66,850	2,200	1,217	69,800	69,850	2,365	1,291	72,800	72,850	2,531	1,394	75,800	75,850	2,704	1,499
66,850	66,900	2,202	1,218	69,850	69,900	2,368	1,292	72,850	72,900	2,534	1,396	75,850	75,900	2,707	1,501
66,900	66,950	2,205	1,220	69,900	69,950	2,371	1,293	72,900	72,950	2,537	1,397	75,900	75,950	2,710	1,502
66,950	67,000	2,208	1,221	69,950	70,000	2,374	1,294	72,950	73,000	2,539	1,399	75,950	76,000	2,713	1,504

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—		Your Tax Is—	
76,000				79,000				82,000				85,000			
76,000	76,050	2,717	1,506	79,000	79,050	2,908	1,611	82,000	82,050	3,099	1,757	85,000	85,050	3,290	1,923
76,050	76,100	2,720	1,508	79,050	79,100	2,911	1,613	82,050	82,100	3,102	1,760	85,050	85,100	3,293	1,925
76,100	76,150	2,723	1,509	79,100	79,150	2,914	1,614	82,100	82,150	3,105	1,762	85,100	85,150	3,296	1,928
76,150	76,200	2,726	1,511	79,150	79,200	2,917	1,616	82,150	82,200	3,108	1,765	85,150	85,200	3,299	1,931
76,200	76,250	2,729	1,513	79,200	79,250	2,920	1,618	82,200	82,250	3,111	1,768	85,200	85,250	3,303	1,934
76,250	76,300	2,732	1,515	79,250	79,300	2,924	1,620	82,250	82,300	3,115	1,771	85,250	85,300	3,306	1,936
76,300	76,350	2,736	1,516	79,300	79,350	2,927	1,621	82,300	82,350	3,118	1,773	85,300	85,350	3,309	1,939
76,350	76,400	2,739	1,518	79,350	79,400	2,930	1,623	82,350	82,400	3,121	1,776	85,350	85,400	3,312	1,942
76,400	76,450	2,742	1,520	79,400	79,450	2,933	1,625	82,400	82,450	3,124	1,779	85,400	85,450	3,315	1,945
76,450	76,500	2,745	1,522	79,450	79,500	2,936	1,627	82,450	82,500	3,127	1,782	85,450	85,500	3,319	1,947
76,500	76,550	2,748	1,523	79,500	79,550	2,939	1,628	82,500	82,550	3,131	1,785	85,500	85,550	3,322	1,950
76,550	76,600	2,752	1,525	79,550	79,600	2,943	1,630	82,550	82,600	3,134	1,787	85,550	85,600	3,325	1,953
76,600	76,650	2,755	1,527	79,600	79,650	2,946	1,632	82,600	82,650	3,137	1,790	85,600	85,650	3,328	1,956
76,650	76,700	2,758	1,529	79,650	79,700	2,949	1,634	82,650	82,700	3,140	1,793	85,650	85,700	3,331	1,959
76,700	76,750	2,761	1,530	79,700	79,750	2,952	1,635	82,700	82,750	3,143	1,796	85,700	85,750	3,334	1,961
76,750	76,800	2,764	1,532	79,750	79,800	2,955	1,637	82,750	82,800	3,147	1,798	85,750	85,800	3,338	1,964
76,800	76,850	2,768	1,534	79,800	79,850	2,959	1,639	82,800	82,850	3,150	1,801	85,800	85,850	3,341	1,967
76,850	76,900	2,771	1,536	79,850	79,900	2,962	1,641	82,850	82,900	3,153	1,804	85,850	85,900	3,344	1,970
76,900	76,950	2,774	1,537	79,900	79,950	2,965	1,642	82,900	82,950	3,156	1,807	85,900	85,950	3,347	1,972
76,950	77,000	2,777	1,539	79,950	80,000	2,968	1,644	82,950	83,000	3,159	1,809	85,950	86,000	3,350	1,975
77,000				80,000				83,000				86,000			
77,000	77,050	2,780	1,541	80,000	80,050	2,971	1,646	83,000	83,050	3,162	1,812	86,000	86,050	3,354	1,978
77,050	77,100	2,783	1,543	80,050	80,100	2,975	1,649	83,050	83,100	3,166	1,815	86,050	86,100	3,357	1,981
77,100	77,150	2,787	1,544	80,100	80,150	2,978	1,652	83,100	83,150	3,169	1,818	86,100	86,150	3,360	1,983
77,150	77,200	2,790	1,546	80,150	80,200	2,981	1,655	83,150	83,200	3,172	1,820	86,150	86,200	3,363	1,986
77,200	77,250	2,793	1,548	80,200	80,250	2,984	1,657	83,200	83,250	3,175	1,823	86,200	86,250	3,366	1,989
77,250	77,300	2,796	1,550	80,250	80,300	2,987	1,660	83,250	83,300	3,178	1,826	86,250	86,300	3,369	1,992
77,300	77,350	2,799	1,551	80,300	80,350	2,990	1,663	83,300	83,350	3,182	1,829	86,300	86,350	3,373	1,994
77,350	77,400	2,803	1,553	80,350	80,400	2,994	1,666	83,350	83,400	3,185	1,831	86,350	86,400	3,376	1,997
77,400	77,450	2,806	1,555	80,400	80,450	2,997	1,668	83,400	83,450	3,188	1,834	86,400	86,450	3,379	2,000
77,450	77,500	2,809	1,557	80,450	80,500	3,000	1,671	83,450	83,500	3,191	1,837	86,450	86,500	3,382	2,003
77,500	77,550	2,812	1,558	80,500	80,550	3,003	1,674	83,500	83,550	3,194	1,840	86,500	86,550	3,385	2,006
77,550	77,600	2,815	1,560	80,550	80,600	3,006	1,677	83,550	83,600	3,197	1,843	86,550	86,600	3,389	2,008
77,600	77,650	2,818	1,562	80,600	80,650	3,010	1,680	83,600	83,650	3,201	1,845	86,600	86,650	3,392	2,011
77,650	77,700	2,822	1,564	80,650	80,700	3,013	1,682	83,650	83,700	3,204	1,848	86,650	86,700	3,395	2,014
77,700	77,750	2,825	1,565	80,700	80,750	3,016	1,685	83,700	83,750	3,207	1,851	86,700	86,750	3,398	2,017
77,750	77,800	2,828	1,567	80,750	80,800	3,019	1,688	83,750	83,800	3,210	1,854	86,750	86,800	3,401	2,019
77,800	77,850	2,831	1,569	80,800	80,850	3,022	1,691	83,800	83,850	3,213	1,856	86,800	86,850	3,405	2,022
77,850	77,900	2,834	1,571	80,850	80,900	3,025	1,693	83,850	83,900	3,217	1,859	86,850	86,900	3,408	2,025
77,900	77,950	2,838	1,572	80,900	80,950	3,029	1,696	83,900	83,950	3,220	1,862	86,900	86,950	3,411	2,028
77,950	78,000	2,841	1,574	80,950	81,000	3,032	1,699	83,950	84,000	3,223	1,865	86,950	87,000	3,414	2,030
78,000				81,000				84,000				87,000			
78,000	78,050	2,844	1,576	81,000	81,050	3,035	1,702	84,000	84,050	3,226	1,867	87,000	87,050	3,417	2,033
78,050	78,100	2,847	1,578	81,050	81,100	3,038	1,704	84,050	84,100	3,229	1,870	87,050	87,100	3,420	2,036
78,100	78,150	2,850	1,579	81,100	81,150	3,041	1,707	84,100	84,150	3,233	1,873	87,100	87,150	3,424	2,039
78,150	78,200	2,853	1,581	81,150	81,200	3,045	1,710	84,150	84,200	3,236	1,876	87,150	87,200	3,427	2,041
78,200	78,250	2,857	1,583	81,200	81,250	3,048	1,713	84,200	84,250	3,239	1,878	87,200	87,250	3,430	2,044
78,250	78,300	2,860	1,585	81,250	81,300	3,051	1,715	84,250	84,300	3,242	1,881	87,250	87,300	3,433	2,047
78,300	78,350	2,863	1,586	81,300	81,350	3,054	1,718	84,300	84,350	3,245	1,884	87,300	87,350	3,436	2,050
78,350	78,400	2,866	1,588	81,350	81,400	3,057	1,721	84,350	84,400	3,248	1,887	87,350	87,400	3,440	2,052
78,400	78,450	2,869	1,590	81,400	81,450	3,061	1,724	84,400	84,450	3,252	1,889	87,400	87,450	3,443	2,055
78,450	78,500	2,873	1,592	81,450	81,500	3,064	1,726	84,450	84,500	3,255	1,892	87,450	87,500	3,446	2,058
78,500	78,550	2,876	1,593	81,500	81,550	3,067	1,729	84,500	84,550	3,258	1,895	87,500	87,550	3,449	2,061
78,550	78,600	2,879	1,595	81,550	81,600	3,070	1,732	84,550	84,600	3,261	1,898	87,550	87,600	3,452	2,064
78,600	78,650	2,882	1,597	81,600	81,650	3,073	1,735	84,600	84,650	3,264	1,901	87,600	87,650	3,455	2,066
78,650	78,700	2,885	1,599	81,650	81,700	3,076	1,738	84,650	84,700	3,268	1,903	87,650	87,700	3,459	2,069
78,700	78,750	2,889	1,600	81,700	81,750	3,080	1,740	84,700	84,750	3,271	1,906	87,700	87,750	3,462	2,072
78,750	78,800	2,892	1,602	81,750	81,800	3,083	1,743	84,750	84,800	3,274	1,909	87,750	87,800	3,465	2,075
78,800	78,850	2,895	1,604	81,800	81,850	3,086	1,746	84,800	84,850	3,277	1,912	87,800	87,850	3,468	2,077
78,850	78,900	2,898	1,606	81,850	81,900	3,089	1,749	84,850	84,900	3,280	1,914	87,850	87,900	3,471	2,080
78,900	78,950	2,901	1,607	81,900	81,950	3,092	1,751	84,900	84,950	3,283	1,917	87,900	87,950	3,475	2,083
78,950	79,000	2,904	1,609	81,950	82,000	3,096	1,754	84,950	85,000	3,287	1,920	87,950	88,000	3,478	2,086

2005 NEW JERSEY TAX TABLE (NJ-1040) – Continued

If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —		If Line 37 (New Jersey Taxable Income) Is —		And You Checked Filing Status Line —	
At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5	At Least	But Less Than	1 or 3	2, 4, or 5
		Your Tax Is—				Your Tax Is—				Your Tax Is—				Your Tax Is—	
88,000				91,000				94,000				97,000			
88,000	88,050	3,481	2,088	91,000	91,050	3,672	2,254	94,000	94,050	3,863	2,420	97,000	97,050	4,054	2,586
88,050	88,100	3,484	2,091	91,050	91,100	3,675	2,257	94,050	94,100	3,866	2,423	97,050	97,100	4,057	2,588
88,100	88,150	3,487	2,094	91,100	91,150	3,678	2,260	94,100	94,150	3,870	2,425	97,100	97,150	4,061	2,591
88,150	88,200	3,490	2,097	91,150	91,200	3,682	2,262	94,150	94,200	3,873	2,428	97,150	97,200	4,064	2,594
88,200	88,250	3,494	2,099	91,200	91,250	3,685	2,265	94,200	94,250	3,876	2,431	97,200	97,250	4,067	2,597
88,250	88,300	3,497	2,102	91,250	91,300	3,688	2,268	94,250	94,300	3,879	2,434	97,250	97,300	4,070	2,599
88,300	88,350	3,500	2,105	91,300	91,350	3,691	2,271	94,300	94,350	3,882	2,436	97,300	97,350	4,073	2,602
88,350	88,400	3,503	2,108	91,350	91,400	3,694	2,273	94,350	94,400	3,885	2,439	97,350	97,400	4,077	2,605
88,400	88,450	3,506	2,110	91,400	91,450	3,698	2,276	94,400	94,450	3,889	2,442	97,400	97,450	4,080	2,608
88,450	88,500	3,510	2,113	91,450	91,500	3,701	2,279	94,450	94,500	3,892	2,445	97,450	97,500	4,083	2,610
88,500	88,550	3,513	2,116	91,500	91,550	3,704	2,282	94,500	94,550	3,895	2,448	97,500	97,550	4,086	2,613
88,550	88,600	3,516	2,119	91,550	91,600	3,707	2,285	94,550	94,600	3,898	2,450	97,550	97,600	4,089	2,616
88,600	88,650	3,519	2,122	91,600	91,650	3,710	2,287	94,600	94,650	3,901	2,453	97,600	97,650	4,092	2,619
88,650	88,700	3,522	2,124	91,650	91,700	3,713	2,290	94,650	94,700	3,905	2,456	97,650	97,700	4,096	2,622
88,700	88,750	3,526	2,127	91,700	91,750	3,717	2,293	94,700	94,750	3,908	2,459	97,700	97,750	4,099	2,624
88,750	88,800	3,529	2,130	91,750	91,800	3,720	2,296	94,750	94,800	3,911	2,461	97,750	97,800	4,102	2,627
88,800	88,850	3,532	2,133	91,800	91,850	3,723	2,298	94,800	94,850	3,914	2,464	97,800	97,850	4,105	2,630
88,850	88,900	3,535	2,135	91,850	91,900	3,726	2,301	94,850	94,900	3,917	2,467	97,850	97,900	4,108	2,633
88,900	88,950	3,538	2,138	91,900	91,950	3,729	2,304	94,900	94,950	3,920	2,470	97,900	97,950	4,112	2,635
88,950	89,000	3,541	2,141	91,950	92,000	3,733	2,307	94,950	95,000	3,924	2,472	97,950	98,000	4,115	2,638
89,000				92,000				95,000				98,000			
89,000	89,050	3,545	2,144	92,000	92,050	3,736	2,309	95,000	95,050	3,927	2,475	98,000	98,050	4,118	2,641
89,050	89,100	3,548	2,146	92,050	92,100	3,739	2,312	95,050	95,100	3,930	2,478	98,050	98,100	4,121	2,644
89,100	89,150	3,551	2,149	92,100	92,150	3,742	2,315	95,100	95,150	3,933	2,481	98,100	98,150	4,124	2,646
89,150	89,200	3,554	2,152	92,150	92,200	3,745	2,318	95,150	95,200	3,936	2,483	98,150	98,200	4,127	2,649
89,200	89,250	3,557	2,155	92,200	92,250	3,748	2,320	95,200	95,250	3,940	2,486	98,200	98,250	4,131	2,652
89,250	89,300	3,561	2,157	92,250	92,300	3,752	2,323	95,250	95,300	3,943	2,489	98,250	98,300	4,134	2,655
89,300	89,350	3,564	2,160	92,300	92,350	3,755	2,326	95,300	95,350	3,946	2,492	98,300	98,350	4,137	2,657
89,350	89,400	3,567	2,163	92,350	92,400	3,758	2,329	95,350	95,400	3,949	2,494	98,350	98,400	4,140	2,660
89,400	89,450	3,570	2,166	92,400	92,450	3,761	2,331	95,400	95,450	3,952	2,497	98,400	98,450	4,143	2,663
89,450	89,500	3,573	2,168	92,450	92,500	3,764	2,334	95,450	95,500	3,956	2,500	98,450	98,500	4,147	2,666
89,500	89,550	3,576	2,171	92,500	92,550	3,768	2,337	95,500	95,550	3,959	2,503	98,500	98,550	4,150	2,669
89,550	89,600	3,580	2,174	92,550	92,600	3,771	2,340	95,550	95,600	3,962	2,506	98,550	98,600	4,153	2,671
89,600	89,650	3,583	2,177	92,600	92,650	3,774	2,343	95,600	95,650	3,965	2,508	98,600	98,650	4,156	2,674
89,650	89,700	3,586	2,180	92,650	92,700	3,777	2,345	95,650	95,700	3,968	2,511	98,650	98,700	4,159	2,677
89,700	89,750	3,589	2,182	92,700	92,750	3,780	2,348	95,700	95,750	3,971	2,514	98,700	98,750	4,163	2,680
89,750	89,800	3,592	2,185	92,750	92,800	3,784	2,351	95,750	95,800	3,975	2,517	98,750	98,800	4,166	2,682
89,800	89,850	3,596	2,188	92,800	92,850	3,787	2,354	95,800	95,850	3,978	2,519	98,800	98,850	4,169	2,685
89,850	89,900	3,599	2,191	92,850	92,900	3,790	2,356	95,850	95,900	3,981	2,522	98,850	98,900	4,172	2,688
89,900	89,950	3,602	2,193	92,900	92,950	3,793	2,359	95,900	95,950	3,984	2,525	98,900	98,950	4,175	2,691
89,950	90,000	3,605	2,196	92,950	93,000	3,796	2,362	95,950	96,000	3,987	2,528	98,950	99,000	4,178	2,693
90,000				93,000				96,000				99,000			
90,000	90,050	3,608	2,199	93,000	93,050	3,799	2,365	96,000	96,050	3,991	2,530	99,000	99,050	4,182	2,696
90,050	90,100	3,612	2,202	93,050	93,100	3,803	2,367	96,050	96,100	3,994	2,533	99,050	99,100	4,185	2,699
90,100	90,150	3,615	2,204	93,100	93,150	3,806	2,370	96,100	96,150	3,997	2,536	99,100	99,150	4,188	2,702
90,150	90,200	3,618	2,207	93,150	93,200	3,809	2,373	96,150	96,200	4,000	2,539	99,150	99,200	4,191	2,704
90,200	90,250	3,621	2,210	93,200	93,250	3,812	2,376	96,200	96,250	4,003	2,541	99,200	99,250	4,194	2,707
90,250	90,300	3,624	2,213	93,250	93,300	3,815	2,378	96,250	96,300	4,006	2,544	99,250	99,300	4,198	2,710
90,300	90,350	3,627	2,215	93,300	93,350	3,819	2,381	96,300	96,350	4,010	2,547	99,300	99,350	4,201	2,713
90,350	90,400	3,631	2,218	93,350	93,400	3,822	2,384	96,350	96,400	4,013	2,550	99,350	99,400	4,204	2,715
90,400	90,450	3,634	2,221	93,400	93,450	3,825	2,387	96,400	96,450	4,016	2,552	99,400	99,450	4,207	2,718
90,450	90,500	3,637	2,224	93,450	93,500	3,828	2,389	96,450	96,500	4,019	2,555	99,450	99,500	4,210	2,721
90,500	90,550	3,640	2,227	93,500	93,550	3,831	2,392	96,500	96,550	4,022	2,558	99,500	99,550	4,213	2,724
90,550	90,600	3,643	2,229	93,550	93,600	3,834	2,395	96,550	96,600	4,026	2,561	99,550	99,600	4,217	2,727
90,600	90,650	3,647	2,232	93,600	93,650	3,838	2,398	96,600	96,650	4,029	2,564	99,600	99,650	4,220	2,729
90,650	90,700	3,650	2,235	93,650	93,700	3,841	2,401	96,650	96,700	4,032	2,566	99,650	99,700	4,223	2,732
90,700	90,750	3,653	2,238	93,700	93,750	3,844	2,403	96,700	96,750	4,035	2,569	99,700	99,750	4,226	2,735
90,750	90,800	3,656	2,240	93,750	93,800	3,847	2,406	96,750	96,800	4,038	2,572	99,750	99,800	4,229	2,738
90,800	90,850	3,659	2,243	93,800	93,850	3,850	2,409	96,800	96,850	4,042	2,575	99,800	99,850	4,233	2,740
90,850	90,900	3,662	2,246	93,850	93,900	3,854	2,412	96,850	96,900	4,045	2,577	99,850	99,900	4,236	2,743
90,900	90,950	3,666	2,249	93,900	93,950	3,857	2,414	96,900	96,950	4,048	2,580	99,900	99,950	4,239	2,746
90,950	91,000	3,669	2,251	93,950	94,000	3,860	2,417	96,950	97,000	4,051	2,583	99,950	100,000	4,242	2,749

New Jersey Tax Rate Schedules 2005

FILING STATUS: Single
Married, filing separate return

Table A

		STEP 1	STEP 2			STEP 3		
		Enter	Multiply			Subtract	Your Tax	
If Taxable Income (Line 37) is:		Line 37	Line 37 by:					
Over	But not over							
\$ 0	\$ 20,000	_____	× .014	=	_____	- \$ 0	=	_____
\$ 20,000	\$ 35,000	_____	× .0175	=	_____	- \$ 70.00	=	_____
\$ 35,000	\$ 40,000	_____	× .035	=	_____	- \$ 682.50	=	_____
\$ 40,000	\$ 75,000	_____	× .05525	=	_____	- \$ 1,492.50	=	_____
\$ 75,000	\$500,000	_____	× .0637	=	_____	- \$ 2,126.25	=	_____
\$500,000	and over	_____	× .0897	=	_____	- \$15,126.25	=	_____

FILING STATUS: Married, filing joint return
Head of household
Qualifying widow(er)

Table B

		STEP 1	STEP 2			STEP 3		
		Enter	Multiply			Subtract	Your Tax	
If Taxable Income (Line 37) is:		Line 37	Line 37 by:					
Over	But not over							
\$ 0	\$ 20,000	_____	× .014	=	_____	- \$ 0	=	_____
\$ 20,000	\$ 50,000	_____	× .0175	=	_____	- \$ 70.00	=	_____
\$ 50,000	\$ 70,000	_____	× .0245	=	_____	- \$ 420.00	=	_____
\$ 70,000	\$ 80,000	_____	× .035	=	_____	- \$ 1,154.50	=	_____
\$ 80,000	\$150,000	_____	× .05525	=	_____	- \$ 2,775.00	=	_____
\$150,000	\$500,000	_____	× .0637	=	_____	- \$ 4,042.50	=	_____
\$500,000	and over	_____	× .0897	=	_____	- \$17,042.50	=	_____

When You Need Information...

by phone...

Call our Automated Tax Information System

1-800-323-4400 — (Touch-tone phones within NJ, NY, PA, DE, and MD) or **609-826-4400** (Touch-tone phones anywhere).

- ◆ Listen to recorded tax information on many topics.
- ◆ Order forms and publications through our message system.
- ◆ Get information on 2005 refunds from ARIS, our Automated Refund Inquiry System, 7 days a week (hours may vary).

Contact our Customer Service Center

609-292-6400 — Speak directly to a Division of Taxation representative for tax information and assistance, 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

TTY Equipment Users Only

Call **1-800-286-6613** (toll-free within NJ, NY, PA, DE, and MD) or **609-984-7300** (anywhere) to ask questions or to order forms and publications.

online...

Visit the New Jersey Division of Taxation Home Page

Many State tax forms and publications are available on our Web site. Access the Division's home page at:

www.state.nj.us/treasury/taxation/

You may also reach us by e-mail at:

nj.taxation@treas.state.nj.us

Subscribe to *NJ Tax E-News*, the Division of Taxation's online information service, at:

www.state.nj.us/treasury/taxation/listservservice.shtml

in person...

Visit a New Jersey Division of Taxation Regional Office

Regional offices provide individual assistance at various locations throughout the State. Call the Automated Tax Information System or visit our home page for the address of the regional office nearest you.

To Get Forms...

- ◆ Call New Jersey's Forms Request System at 1-800-323-4400 (Touch-tone phones within NJ, NY, PA, DE, and MD) or 609-826-4400 (Touch-tone phones anywhere).
- ◆ Visit our Web site at:
www.state.nj.us/treasury/taxation/forms.shtml
- ◆ Visit a New Jersey public library.
- ◆ Dial NJ TaxFax at 609-826-4500 from your fax machine's phone.
- ◆ Write to: NJ Division of Taxation
Taxpayer Forms Services
PO Box 269
Trenton, NJ 08695-0269

Who Can Help...

Trained volunteers in the VITA (Volunteer Income Tax Assistance) and TCE (Tax Counseling for the Elderly) Programs are available to help prepare both Federal and State returns at locations throughout New Jersey. For the location nearest you, contact the Division's Customer Service Center at 609-292-6400 or the Internal Revenue Service.

New Jersey Earned Income Tax Credit...

Call the Customer Service Center

609-292-6400 — For information, 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

NJ TaxTalk

TaxTalk is the portion of the Automated Tax Information System (ATIS) that provides recorded information to callers on a variety of New Jersey tax topics and affords them the opportunity to request written information on certain topics. TaxTalk is available 24 hours a day, 7 days a week.

Select the 3-digit number of the topic you want to hear. Then from a Touch-tone phone call 1-800-323-4400 (within NJ, NY, PA, DE, and MD) or 609-826-4400 (anywhere). Have paper and pencil available to take notes. Additional topics may become available after the printing of this booklet.

TaxTalk — Topic Codes

NJ INCOME TAX INFORMATION FOR INDIVIDUALS

Filing Your New Jersey Return

- 100 Who Must File
- 102 How and When to File an Extension
- 103 Military Extensions
- 104 How and When to Amend
- 106 Penalties, Interest, & Collection Fees
- 108 Who is Required to Make Estimated Tax Payments
- 110 Penalties and Interest on Underpayment of Estimated Tax Payments

- 112 Pennsylvania Residents Working in New Jersey/New Jersey Residents Working in Pennsylvania
- 114 Nonresidents
- 115 Nonresidents: Estimated Tax on Income From the Sale or Transfer of New Jersey Real Estate
- 116 Mailing Your Return With No Balance Due
- 118 Mailing Your Return With Tax Due
- 120 How to Pay
- Completing Your New Jersey Return**
- 122 Filing Status

- 124 Part-Year Residents
- 126 Military Personnel
- 128 Deceased Taxpayers
- 130 Personal Exemptions
- 132 Dependent Exemptions
- 134 New Jersey Earned Income Tax Credit
- 135 Property Tax Deduction or Credit
- 136 Deductions
- 138 Reporting Wages
- 140 Nontaxable Income
- 142 Reporting Capital Gain Income

- 144 Reporting a Gain From the Sale of a Principal Residence
- 146 Reporting Business Income
- 147 Use Tax Due
- 148 Withholdings and Payments
- 150 Claiming Credit for Income or Wage Tax Paid to Other Jurisdictions
- 152 Claiming Excess Unemployment and Disability

Pension and IRA Information

- 154 Pension Income
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- 160 Establishing Your Roth IRA
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- 229 General Information on the FAIR Rebate for Tenants
- 230 Amending the FAIR Tenant Rebate Application
- 231 FAIR Rebate Amounts

Homestead Rebate for Tax Years Prior to 2004

- 212 Amending the Homestead Rebate Application for Tax Years Prior to 2004

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- 216 General Information on the Senior Freeze/Property Tax Reimbursement Program
- 218 Eligibility Requirements
- 220 How to Apply for a Senior Freeze/Property Tax Reimbursement

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- 224 General Information on the Property Tax Deduction or Credit

PAPERLESS FILING PROGRAMS

New Jersey WebFile

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New Jersey TeleFile Program

- 302 NJ TeleFile Program

New Jersey E-File

- 304 NJ E-File

NJ TAX AND FEE INFORMATION FOR BUSINESSES

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- 400 Registering a Business in NJ
- 401 How to File Taxes and Fees by Phone or Online

- 402 Small Business Workshop
- 404 Electing S Corporation Status
- 406 New York and New Jersey Sales Tax Agreement
- 408 Alcoholic Beverage Retail Licenses
- 410 Ending Your Tax Registration in New Jersey

Income Tax Withholding Information for Businesses

- 412 Remitting Tax Withheld
- 414 Reconciling Tax Withheld
- 416 Forms W-4 and NJ-W-4
- 418 Who Is an Employer
- 420 Withholding New Jersey Income Taxes
- 422 Filing Informal Employer Returns of Income Tax Withheld

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- 423 New Changes in Sales and Use Tax
- 424 General Information for Sales and Use Tax for Businesses
- 426 Use Tax
- 428 Annual Use Tax
- 429 New Jersey Sales and Use Tax EZ File Systems
- 430 Filing Sales and Use Tax Returns
- 432 Filing Informal Sales and Use Tax Returns
- 434 Penalties, Interest, and Collection Fees
- 436 Contractors
- 438 Mail Order and Internet Business
- 440 Taxability of Medicines and Medical Items
- 442 Urban Enterprise Zone

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- 444 Lease and Rental Transactions
- 448 Domestic Security Fee

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- 449 9-1-1 System and Emergency Response Fee
- 450 Casino Taxes and Fees
- 451 Cosmetic Medical Procedures Gross Receipts Tax
- 452 Dishonored Check Fee
- 454 Domestic Security Fee
- 456 Hotel/Motel State Occupancy Fee and Municipal Occupancy Tax
- 458 Litter Control Fee
- 459 Motor Vehicle Tire Fee
- 460 Outdoor Advertising Fee

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- 502 Filing Responsibilities
- 503 General Information on How to Dissolve, Withdraw, or Surrender a Corporation

- 504 Tax Rates and Accounting Periods
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- 508 Partnership Information
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INFORMATION FOR INDIVIDUALS ON SALES & USE TAX AND STATE FEES

General Information on Sales and Use Tax for Individuals

- 600 General Information on Sales and Use Tax for Individuals
- 601 New Changes in Sales and Use Tax

Out-of-State Purchases

- 602 Out-of-State Purchases

Mail Orders and Internet Purchases

- 604 Mail Orders and Internet Purchases

Home Improvements

- 606 Home Improvements

Taxability of Leases and Rentals

- 608 Taxability of Leases and Rentals

Other Fees and Taxes

- 609 9-1-1 System and Emergency Response Fee
- 610 Atlantic City Luxury Tax
- 612 Atlantic City Casino Hotel Parking Fee
- 614 Cape May County Tourism Tax and Assessment
- 615 Cosmetic Medical Procedures Gross Receipts Tax
- 616 Dishonored Check Fee
- 618 Domestic Security Fee
- 620 Hotel/Motel State Occupancy Fee and Municipal Occupancy Tax
- 621 Motor Vehicle Tire Fee

OTHER NJ TAX INFORMATION

New Jersey Division of Taxation

Regional Offices

- 700 Asbury Park Office
- 702 Camden Office
- 704 Fair Lawn Office
- 706 Newark Office
- 708 Northfield Office
- 710 Somerville Office
- 712 Trenton Office

Other Ways to Contact the Division

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Order Forms Through NJ TaxFax

- 716 Order Forms Through NJ TaxFax

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