



New Jersey Resident Return Examples (tax year 2009)

Bulletin GIT-11

Introduction

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

This bulletin illustrates the correct return completion of a 2009 New Jersey Resident Income Tax Return (Form NJ-1040) for full-year and part-year residents in selected situations. This bulletin does not cover completion of New Jersey's tenant homestead rebate application (Form TR-1040).

Important

- P.L. 2009, c.69, increased the New Jersey gross income tax rates on income over \$400,000 for tax year 2009.
- For tax year 2009, the property tax deduction for homeowners has been limited based on age/disability status and income.
- New Jersey Lottery winnings from individual prize amounts exceeding \$10,000 are taxable for New Jersey gross income tax purposes for tax year 2009 and thereafter.
- The percentage used to calculate the New Jersey earned income tax credit (NJEITC) increased to 25% of the Federal benefit for tax year 2009 and thereafter.
- Any reference in this bulletin to a spouse also refers to a partner in a civil union (CU) recognized under New Jersey law.

NOTE: This publication has not yet been updated to reflect the changes required by the [Military Spouses Residency Relief Act](#).

Filing Requirements

Every resident individual, even a minor, whose gross income received during the tax year is more than \$20,000 (\$10,000 if filing status is single or married/CU partner, filing separate return), is required to file a New Jersey Resident Income Tax Return (Form NJ-1040). A full-year resident whose annual gross income is under the applicable minimum income filing threshold need not file a return except to claim a refund of taxes withheld or estimated taxes paid. You must also file a return to receive a New Jersey earned income tax credit even if you have no tax liability to New Jersey. For more information on gross income, see [page 2](#).

A person who became a resident of this State or moved out of this State during the year may be required to file a New Jersey income tax return and pay tax on that portion of the income received while a resident of New Jersey. Part-year residents must prorate all exemptions, deductions, and credits, as well as the pension and other retirement income exclusions, to reflect the period covered by the return. For more information, see Tax Topic Bulletin [GIT-6, Part-Year Residents](#).

Filing Status

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

If a married couple files a joint Federal 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. However, if you are a civil union couple, your filing status for New Jersey will not match your Federal filing status for the year.

If your spouse/civil union partner died during the year, you may file a joint return for the two of you provided you did not remarry or enter into a new civil union before the end of the year. You may be eligible to use the filing status “qualifying widow(er)/surviving CU partner” for each of the *two tax years after the year in which your spouse/civil union partner 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/civil union partners 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.

For information on filing status for Federal purposes, contact the Internal Revenue Service. For more information on filing status for New Jersey purposes, see Tax Topic Bulletin [GIT-4, Filing Status](#).

Gross Income

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

Taxable Income

Taxable income includes the following:

- Wages and other compensation
- Interest and dividends
- Earnings on nonqualified 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, including New Jersey Lottery winnings from prize amounts exceeding \$10,000
- Alimony
- Estate and trust income
- Income in respect of a decedent
- Prizes and awards, including scholarships and fellowships
- Value of residence provided by employer
- Fees for services rendered, including jury duty

New Jersey taxable income also **includes** the following 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

Exempt Income

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

- 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
- Workers' Compensation
- Gifts and inheritances
- Qualifying scholarships or fellowship grants
- New Jersey Lottery winnings from prizes in the amount of \$10,000 or less
- Unemployment Compensation
- Interest and capital gains from:
 - (a) Obligations of the State of New Jersey or any of its political subdivisions; **or**
 - (b) Direct Federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds
- Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on Federal obligations
- Certain distributions from "New Jersey Qualified Investment Funds"
- Earnings on qualified 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)
- 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
- Federal economic stimulus payments to individuals under the Economic Stimulus Act of 2008
- 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

Exemptions

Every resident taxpayer is allowed a personal exemption, even if that individual can be claimed as a dependent on another tax return. Taxpayers whose filing status is "married/CU couple, filing joint return" are allowed an additional exemption for their spouse/civil union partner. A member of a domestic partnership

that was registered in New Jersey on the last day of the tax year may claim an exemption for their domestic partner, but only if he or she does not file a New Jersey income tax return.

The additional exemptions for age, disability, or blindness may be claimed only by the taxpayer and/or spouse/civil union partner. These additional exemptions do **not** apply to a domestic partner or to dependents. The exemption for dependents attending colleges is in addition to the exemption claimed for that child or other qualified dependent. This exemption applies **only** to dependents and does not apply to the taxpayer, spouse/civil union partner, and/or domestic partner.

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

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

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

Dependent Information. If you are claiming a dependent exemption, you must provide the full

name, social security number, and year of birth for each dependent child and other dependent claimed on Form NJ-1040. If you qualify for the New Jersey earned income tax credit, you must provide this information for each "qualifying child" listed on your Federal Schedule EIC who is not claimed as a dependent on your New Jersey return. You must also fill in the oval for each dependent who does *not* have insurance coverage (including NJ FamilyCare/Medicaid, private, or other health insurance) on the date you file the return. **Do not fill in the oval for any dependents who have health insurance.**

Deductions

- Certain nonreimbursed medical expenses that were paid during the year may be deducted on the New Jersey income tax return. However, only expenses exceeding 2% of gross income, as shown on Line 28 of Form NJ-1040, may be deducted.
- Qualified Archer medical savings account (MSA) contributions not in excess of 75% of the amount of your annual health plan deductible (65% if you have a self-only plan).
- Self-employed individuals and more-than-2% shareholders of S corporations are allowed a deduction (up to 100%) for the cost of health insurance for the taxpayer and the taxpayer's spouse/civil union partner or domestic partner and dependents, but only to the extent that the taxpayer has earned income derived from the business under which the insurance plan is established. A taxpayer may not deduct any amount paid for health insurance coverage for any month in which the taxpayer was eligible to participate in any subsidized health plan maintained by an employer of the taxpayer or the taxpayer's spouse/civil union partner or domestic partner.

- Alimony and separate maintenance required to be paid under a decree of divorce/dissolution or separate maintenance.
- Qualified conservation contributions of qualified real property interests in New Jersey property, to the extent that the contribution amount is deductible for Federal income tax purposes.
- Eligible taxpayers engaged in providing “primary care” medical and/or dental services at a qualified practice located in or within five miles of a designated Health Enterprise Zone (HEZ) may qualify for a deduction. For information on eligibility requirements and how to calculate the HEZ deduction, see Technical Bulletin [TB-56](#), *Health Enterprise Zones*.

Property Tax Deduction/Credit

Homeowners and tenants who pay property taxes, either directly or through rent, on their principal residence in New Jersey may qualify for either a deduction (up to 100% of property taxes due and paid or up to \$10,000, whichever is less) or refundable credit (up to \$50).

Property Tax Deduction Limitations. For tax year 2009 homeowners under 65 years of age and not blind or disabled whose New Jersey gross income is more than \$250,000 *are not eligible for the property tax deduction*. In addition, for homeowners under 65 years of age and not blind or disabled whose New Jersey gross income is over \$150,000 but not over \$250,000, the maximum deduction is limited to \$5,000. Homeowners who file separate returns but occupy the same principal residence as their spouse/civil union partner must use their combined income when determining eligibility

and calculating the amount of the deduction. Homeowners who are not eligible for a deduction because their income is over \$250,000 can receive a property tax credit if they satisfy the other eligibility requirements.

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 2009; 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, Form NJ-1040, is more than \$20,000 (\$10,000 if filing status is single or married/CU partner, filing separate return), **or** you and/or your spouse/civil union partner (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 the last day of the tax year, with gross income of \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return) *are not eligible for a property tax credit*.

Seniors or Blind/Disabled Persons not Required to File a Return. If you (or your spouse/civil union partner if filing jointly) 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, Form NJ-1040, is \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return), and you satisfy the eligibility requirements, you qualify for a property tax credit in the amount of \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence).

If you are also eligible and file for a homestead rebate, you will receive your property tax credit with your rebate. Do not claim the property tax credit on Form NJ-1040. However, if you are *not* eligible for a homestead rebate because you were neither a homeowner nor a tenant on October 1, 2009, but you were an eligible homeowner or a tenant **during some part of 2009**, you may complete Form NJ-1040 and claim the property tax credit on Line 48.

Property Tax Reimbursement (Senior Freeze) Applicants. If you are eligible for a property tax reimbursement for 2009 and file your application on Form PTR-1, enter on Line 1, Schedule 1 (or Box 5a, Schedule A) the amount of your **2008 property taxes** as reported on Line 14 of your 2009 Property Tax Reimbursement Application, Form PTR-1. (For mobile home owners this is 18% of 2008 site fees.)

If you are eligible for a property tax reimbursement for 2009 and file your application on Form PTR-2, enter on Line 1, Schedule 1 (or Box 5a, Schedule A) the amount of your base year property taxes as reported on Line 11 of your 2009 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/civil union partner 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.

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

Pensions, Annuities, and IRA Withdrawals

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return although the State taxable amount may differ from the Federal amount. All state and local government, teachers', and Federal pensions, and Keogh Plans are treated in the same manner as pensions from the private sector. New Jersey provides retirement income exclusions that enable qualified taxpayers to reduce their taxable income. For more information, see Tax Topic Bulletin [GIT-1](#), *Pensions and Annuities*.

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. For more information on military pensions, see Tax Topic Bulletin [GIT-7](#), *Military Personnel*.

For New Jersey purposes, an IRA consists of a nontaxable part (your contributions) and a taxable part (earnings plus certain amounts, if any, rolled over from pension plans). If your

contributions have been previously taxed, only the portion of the distribution that represents earnings is taxable. However, a qualified distribution from a Roth IRA is excludable and does not have to be reported on your New Jersey return. For more information on IRA withdrawals, see Tax Topic Bulletin [GIT-2](#), *IRA Withdrawals*, and Technical Bulletin [TB-44](#), *Roth IRAs*.

Estimated Tax Payments

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

Credit for Taxes Paid to Other Jurisdictions

If income is earned in another jurisdiction, a credit may apply on the New Jersey return if, within the same year, the income was subject to both:

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

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

Taxpayers who claim a credit for taxes paid to other jurisdictions are required to enter a two-digit code for the jurisdiction in the boxes at Line 40, Form NJ-1040. A list of jurisdiction codes appears in the NJ-1040 instruction booklet. Taxpayers are not required to enclose a copy of the tax return(s) filed with the other jurisdiction.

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

Pennsylvania residents: refer to Tax Topic Bulletin [GIT-3W](#) or [GIT-3B](#) and the NJ-1040 resident return instruction booklet for information on the Reciprocal Personal Income Tax Agreement between the Commonwealth of Pennsylvania and the State of New Jersey.

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 also give you a refund, even if you have no tax liability to New Jersey.

For tax year 2009 and thereafter, residents who are eligible and file for a Federal earned income credit can also receive a New Jersey earned income tax credit in the amount equal to 25% of the Federal benefit.

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

You must file a New Jersey resident income tax return to receive a New Jersey earned income tax credit, even if you are not required to file a return because your gross income is below the minimum income filing threshold. (See [Filing Requirements](#) on page 1.)

You must provide the full name, social security number, and year of birth for each “qualifying child” listed on Federal Schedule EIC who is not claimed as a dependent on your New Jersey return.

If you asked the Internal Revenue Service to calculate your Federal earned income credit, fill in the first oval below Line 50, Form NJ-1040. (Civil union couples should not fill in this oval even if one or both of you are eligible for a Federal credit and asked the IRS to calculate the amount. For information on how civil union couples calculate their New Jersey earned income tax credit amount for Line 50, see [instruction booklet for Form NJ-1040](#). The IRS will provide information regarding Federal earned income credit recipients to the Division of Taxation in October 2010. 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.

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

Sale of Home Exclusion

If you sell your principal residence, you may qualify to exclude up to \$250,000 (\$500,000 for certain married/civil union couples filing a joint return) of any gain from your income. Capital gain is 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.

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/civil union couples filing a joint return) of gain from the sale of your principal residence if **both 1 and 2** below apply.

1. Neither you nor your spouse/civil union partner if filing a joint return is excluding gain from the sale of another home.

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

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

You cannot exclude the gain on the sale of your principal residence if, during the 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. However, you can claim a reduced exclusion if you sold the home due to a change in health or place of employment and you qualify for a reduced exclusion for Federal purposes.

Return Preparation

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

Example 1

Leonard Fisher (Age 63)

SS# 999-27-3660

Evelyn Fisher (Age 56)

SS# 999-62-8391

101 Blackwell Road, Apt. B

Cape May Point, NJ 08212 (Cape May County)

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

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

Mr. and Mrs. Fisher lived in their house, located at 18 King's Court, Cape May, New Jersey since August 9, 1979. On May 23, 2009, they sold the house for \$275,000. The cost basis on their Federal return was \$117,000. The Fishers may exclude up to \$500,000 of the gain from the sale of the principal residence for their filing status. Therefore, they will exclude the entire \$158,000 gain on the sale of their home on New Jersey

Schedule B. They will enclose Schedule B with their income tax return and keep a copy for their records.

In addition, they must enclose a completed New Jersey Schedule C showing rental loss from their rental property. The New Jersey Gross Income Tax Act does not allow losses to be claimed against gains in other categories of income; therefore, Mr. and Mrs. Fisher will make no entry for rental income on Line 22 of their return.

Mr. Fisher retired on December 31, 2006. For tax year 2007, he completed "Worksheet A" contained in the NJ-1040 resident income tax return instruction booklet to determine which pension method to use. He was able to use the Three-Year Rule Method and for the past two years he was not required to report any taxable pension on his State income tax return. Mr. and Mrs. Fisher did **not** submit "Worksheet A" with their income tax return but retained it for their records. This year they used the worksheet to help determine the taxable pension amount to be reported on their 2009 tax return. Mr. Fisher is eligible to exclude up to \$20,000, because his filing status is married/CU couple, filing a joint return and his income (combined with his wife's income) did not total more than \$100,000. He will claim \$8,000 as his Pension Exclusion on Line 27a of their return. The Fishers cannot utilize the unclaimed portion of the pension exclusion (\$12,000) on Line 27b, Other Retirement Income Exclusion, because their joint earned income (total of: wages, net profits from business, distributive share of partnership income, and net pro rata share of S corporation income) is more than \$3,000, as shown in Part I of "Worksheet D – Other Retirement Income Exclusion."

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. <u>\$108,000</u>
2. Your contributions to the plan	2. <u>100,000</u>
3. Subtract line 2 from line 1	3. <u>8,000</u>
(a) If line 3 is "0" or more, <i>and</i> 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 .	

Worksheet D	
Other Retirement Income Exclusion	
Age Requirement: 62 or older	
Part-year residents, do not complete this worksheet. See instructions.	
Part I – Unclaimed Pension Exclusion	
Is total income from Line 26, Form NJ-1040 for the entire year MORE than \$100,000?	
<input type="radio"/> Yes. Do not complete Part I. Enter "0" on line 8 and continue with Part II.	
<input checked="" type="radio"/> No. Continue with line 1.	
1. Enter the amount from Line 14, NJ-1040	1. <u>42,731</u>
2. Enter the amount from Line 17, NJ-1040	2. <u>0</u>
3. Enter the amount from Line 20, NJ-1040	3. <u>0</u>
4. Enter the amount from Line 21, NJ-1040	4. <u>0</u>
5. Add lines 1, 2, 3, and 4	5. <u>42,731</u>
Is the amount on line 5 MORE than \$3,000?	
<input checked="" type="radio"/> Yes. Enter "0" on line 8 and continue with Part II.	
<input type="radio"/> No. Continue with line 6.	

(Partial Worksheet)

Since Mr. and Mrs. Fisher lived at more than one qualifying New Jersey residence during the tax year, they must complete Schedule 1-A to determine the amount of property taxes to enter on Line 36a. To determine whether it is better to claim the property tax deduction or the property tax credit, the Fishers then complete Schedule 1. Since they were both homeowners and tenants during the year, they must also com-

plete a separate worksheet to calculate the appropriate deduction amount to enter on Line 2, Schedule 1. Schedules 1 and 1-A and the worksheet for those who were both homeowners and tenants are contained in the NJ-1040 resident income tax return instruction booklet. The Fishers determined that they will receive a greater tax benefit by taking the property tax deduction.

Schedule 1-A					
PART I: HOMEOWNERS					
Principal residences you owned in New Jersey during 2009					
Address	(1) Number of days in 2009 in this residence as an owner	(2) Share of property owned by you (and your spouse/civil union partner)	(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. 18 King's Ct. Cape May	143	1.00	1.00	1,300	1,300
2.					
3.					
4. Your share of total property taxes paid in 2009 for your principal residences (total of Column 5) Use this amount to complete Line 36a*.....					1,300
PART II: TENANTS					
Principal residences you rented in New Jersey during 2009					
Address	(1) Number of days in 2009 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/civil union partner) for this residence during this period	
5. 101 Blackwell Rd. Cape May Pt.	222	1	8,400	8,400	
6.					
7.					
8. Your share of total rent paid in 2009 for your principal residences (total of Column 4).....				8,400	
9. Rent constituting property taxes (Line 8 × .18) Use this amount to complete Line 36a*.....				1,512	
* If your filing status is married/CU partner, filing separate return and both you and your spouse/civil union partner maintain the same principal residence, use one-half of this amount when completing Line 36a.					

Worksheet for those who were both homeowners and tenants

1a. Property taxes paid while a homeowner from Line 4, Schedule 1-A*	1,300
1b. Rent constituting property taxes paid while a tenant from Line 9, Schedule 1-A*	1,512
2a. Property tax deduction for homeowner period. Use line 1a of this worksheet to determine appropriate deduction amount from Chart A	1,300
2b. Property tax deduction for tenant period. Use line 1b of this worksheet to determine appropriate deduction amount from Chart B	1,512
3. Total property tax deduction amount. Add lines 2a and 2b. Enter on Line 2, Schedule 1 the lesser of line 3 or \$10,000.	2,812

Schedule 1 – Property Tax Deduction/Credit

Review the eligibility requirements before completing Schedule 1. Part-year residents see instructions.

Complete both columns of this schedule to find out whether the Property Tax Deduction or the Credit is better for you. If you claim a credit for taxes paid to other jurisdictions, complete only Lines 1 and 2 of this schedule. Then complete Schedule A and Worksheet F.

- Property Tax.** Enter the property taxes you paid in 2009 from Line 36a of Form NJ-1040. Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 36a. **See instructions.** 1. 2,812
- Property Tax Deduction.** Homeowners enter appropriate amount from [Chart A](#). Tenants enter appropriate amount from [Chart B](#). If you were both a homeowner and a tenant during the year, see instructions. 2. 2,812

STOP if you are claiming a credit for taxes paid to other jurisdictions. Complete only Lines 1 and 2. Then complete Schedule A and Worksheet F. See instructions.

	Column A	Column B
3. Taxable Income (Copy from Line 35 of Form NJ-1040)	3. 83,611	3. 83,611
4. Property Tax Deduction (Copy from Line 2 of this schedule)	4. 2,812	4. - 0 -
5. Taxable Income After Property Tax Deduction (Subtract Line 4 from Line 3)	5. 80,799	5. 83,611
6. Tax you would pay on Line 5 amount (enter amount from Tax Table/Tax Rate Schedules)	6. 1,688	6. 1,845
7. Subtract Line 6, Column A from Line 6, Column B and enter the result here		7. 157

8. **Is the Line 7 amount \$50 or more (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)?**

- 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 36c | Line 4, Column A |
| Line 38 | Line 5, Column A |
| Line 39 | Line 6, Column A |
| Line 48 | Make no entry |
- No. You receive a greater tax benefit from the Property Tax Credit. (**Part-year residents**, see instructions before answering "No.") Make the following entries on Form NJ-1040.
- | | |
|---------------------|--|
| <i>Form NJ-1040</i> | <i>Enter amount from:</i> |
| Line 36c | Make no entry |
| Line 38 | Line 5, Column B |
| Line 39 | Line 6, Column B |
| Line 48 | \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents , see instructions. |

The following pages show how Mr. and Mrs. Fisher will complete their State income tax return. After taking credit for Mrs. Fisher's withholdings and their joint estimated tax payments, they will be entitled to a refund of \$1,848. However, they are requesting that a \$10 donation be made to each of the five specified

check-offs and to the designated fund of their choice. They will receive a refund of \$1,788.

Since they have taxable income of less than \$100,000, the Fishers may use either the New Jersey Tax Table or the New Jersey Tax Rate Schedules to calculate their tax liability.

**NJ-1040
2009**

**STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN**

Your Social Security Number 9 9 9 - 2 7 - 3 6 6 0		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) Fisher, Leonard and Evelyn																						
Spouse's/CU Partner's Social Security Number 9 9 9 - 6 2 - 8 3 9 1		Home Address (Number and Street, including apartment number or rural route) 101 Blackwell Rd. Apt. B																						
County/Municipality Code (See Table) 0 5 0 3		City, Town, Post Office Cape May Point		State NJ	Zip Code 08212																			
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency:		From <input type="text"/> / <input type="text"/> / <input type="text"/> To <input type="text"/> / <input type="text"/> / <input type="text"/>																						
<p>(Fill in only one)</p> <p>1. <input type="radio"/> Single</p> <p>2. <input checked="" type="radio"/> Married/CU Couple, filing joint return</p> <p>3. <input type="radio"/> Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above</p> <p>4. <input type="radio"/> Head of household</p> <p>5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner</p>		<p>6. Regular <input checked="" type="radio"/> Yourself <input checked="" type="radio"/> Spouse/CU Partner <input type="radio"/> Domestic Partner</p> <p>7. Age 65 or Over <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner</p> <p>8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner</p> <p>9. Number of your qualified dependent children</p> <p>10. Number of other dependents</p> <p>11. Dependents attending colleges.....</p> <p>12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10).....</p>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:20px;">6</td><td style="width:20px;">2</td><td rowspan="3" style="text-align:center; vertical-align:middle;">ENTER NUMBERS HERE</td></tr> <tr><td>7</td><td></td></tr> <tr><td>8</td><td></td></tr> <tr><td colspan="2"></td><td>9</td></tr> <tr><td colspan="2"></td><td>10</td></tr> <tr><td>11</td><td></td><td></td></tr> <tr><td>12a</td><td>2</td><td>12b</td></tr> </table>		6	2	ENTER NUMBERS HERE	7		8				9			10	11			12a	2	12b
6	2	ENTER NUMBERS HERE																						
7																								
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		9																						
		10																						
11																								
12a	2	12b																						
13. Dependent's Last Name, First Name, Middle Initial		Dependent's Social Security Number		Birth Year																				
a _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																				
b _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																				
c _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																				
d _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																				
				Fill in oval if dependent does not have health insurance including NJ FamilyCare/Medicaid, Medicare, private or other (see instructions).																				
GUBERNATORIAL ELECTIONS FUND		Do you wish to designate \$1 of your taxes for this fund? <input checked="" type="radio"/> Yes <input type="radio"/> No		If joint return, does your spouse/CU partner wish to designate \$1? <input checked="" type="radio"/> Yes <input type="radio"/> No																				
Under the penalties of perjury, I declare that I have examined this income tax return (and rebate application, if completed), including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If completing a rebate application (Form TR-1040), I also declare that I occupied the rental property for which I am applying for the tenant homestead rebate as my principal residence on October 1, 2009. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.		Pay amount on Line 54 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation																						
→ _____ Your Signature		_____		Date																				
→ _____ Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign)		_____		Date																				

New Jersey Resident Return Examples (tax year 2009)

NJ-1040 (2009) Page 2

14. Wages, salaries, tips, and other employee compensation (Enclose W-2).....	14				4	2	7	3	1	0	0
15a. Taxable interest income (See instr.) (Enclose Federal Schedule B if over \$1,500)	15a				1	5	4	2	6	0	0
15b. Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b				7	9	0	0	0	0	0
16. Dividends.....	16				2	7	4	5	4	0	0
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040).....	17										
18. Net gains or income from disposition of property (Schedule B, Line 4).....	18										
19. Pensions, Annuities, and IRA Withdrawals (See instructions).....	19					8	0	0	0	0	0
20. Distributive Share of Partnership Income (Enclose Schedule) (See instructions).....	20										
21. Net pro rata share of S Corporation Income (Enclose Schedule) (See instructions).....	21										
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3).....	22										
23. Net Gambling Winnings (See instructions).....	23										
24. Alimony and separate maintenance payments received.....	24										
25. Other (Enclose Schedule) (See instructions).....	25										
26. Total Income (Add Lines 14, 15a, and 16 through 25).....	26				9	3	6	1	1	0	0
27a. Pension Exclusion (See instructions).....	27a			8	0	0	0	0	0	0	0
27b. Other Retirement Income Exclusion (See worksheet and instructions).....	27b										
27c. Total Exclusion Amount (Add Line 27a and Line 27b).....	27c				8		0	0	0	0	0
28. New Jersey Gross Income (Subtract Line 27c from Line 26) See instructions.....	28				8	5	6	1	1	0	0
29. Total Exemption Amount (See instructions to calculate amount)..... (Part-Year Residents see instructions)	29					2	0	0	0	0	0
30. Medical Expenses (See Worksheet and instructions).....	30										
31. Alimony and Separate Maintenance Payments.....	31										
32. Qualified Conservation Contribution.....	32										
33. Health Enterprise Zone Deduction.....	33										
34. Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33).....	34					2	0	0	0	0	0
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY.....	35				8	3	6	1	1	0	0
36a. Total Property Taxes Paid (See instructions).....	36a				2	8	1	2	0	0	0
36b. Indicate your residency status during 2009 (fill in only one oval).....											
36c. Property Tax Deduction (See instructions).....	36c				2	8	1	2	0	0	0
37. If filing status is Married/CU Partner, filing separate return (#3, Page 1), and both spouses/CU partners occupied the same residence, fill in oval.....											
38. NEW JERSEY TAXABLE INCOME (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY.....	38				8	0	7	9	9	0	0

39. Tax (From Tax Table)		39			1	6	8	8	0	0
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).		40								
41. Balance of Tax (Subtract Line 40 from Line 39).....		41			1	6	8	8	0	0
42. Sheltered Workshop Tax Credit		42								
43. Balance of Tax after Credit (Subtract Line 42 from Line 41).....		43			1	6	8	8	0	0
44. Use Tax Due on Out-of-State Purchases (See instructions)		44						0	0	0
If no Use Tax, enter ZERO (0.00).										
45. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed.....		45								
46. Total Tax and Penalty (Add Lines 43, 44, and 45).....		46			1	6	8	8	0	0
47. Total New Jersey Income Tax Withheld (From enclosed Forms W-2 and 1099).....		47			3	1	3	6	0	0
48. Property Tax Credit (See instructions)		48								
49. New Jersey Estimated Tax Payments/Credit from 2008 tax return		49				4	0	0	0	0
50. New Jersey Earned Income Tax Credit (See instructions) Fill in <input type="radio"/> Fill in oval if you had the IRS figure your Federal Earned Income Credit only one <input type="radio"/> Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit		50								
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450).....		51								
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)		52								
53. Total Payments/Credits (Add Lines 47 through 52).....		53			3	5	3	6	0	0
54. If Line 53 is LESS THAN Line 46, enter AMOUNT YOU OWE		54								
Fill in <input type="radio"/> if paying by e-check or credit card. If you owe tax, you may make a donation by entering an amount on Lines 57, 58, 59, 60, 61, and/or 62 and adding this to your payment amount.										
55. If Line 53 is MORE THAN Line 46, enter OVERPAYMENT		55			1	8	4	8	0	0
Deductions from Overpayment on Line 55 which you elect to credit to:										
56. Your 2010 tax		56								
57. N.J. Endangered Wildlife Fund	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	57				1	0		0	0
58. N.J. Children's Trust Fund To Prevent Child Abuse	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	58				1	0		0	0
59. N.J. Vietnam Veterans' Memorial Fund	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	59				1	0		0	0
60. N.J. Breast Cancer Research Fund	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	60				1	0		0	0
61. U.S.S. New Jersey Educational Museum Fund	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	61				1	0		0	0
62. Other Designated Contribution..... See instructions	<input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	62				1	0		0	0
					0	1				
63. Total Deductions from Overpayment (Add Lines 56 through 62).....		63					6	0	0	0
64. REFUND (Amount to be sent to you. Subtract Line 63 from Line 55).....		64			1	7	8	8	0	0

New Jersey Resident Return Examples (tax year 2009)

Schedule B		NET GAINS OR INCOME FROM DISPOSITION OF PROPERTY		List the net gains or income, less net loss, derived from the sale, exchange, or other disposition of property including real or personal whether tangible or intangible.			
1.	a. Kind of property and description	b. Date acquired (Mo., day, yr.)	c. Date sold (Mo., day, yr.)	d. Gross sales price	e. Cost or other basis as adjusted (see instructions) and expense of sale	f. Gain or (loss) (d less e)	
	Sale of Home 18 King's Ct. Cape May	8/9/79	5/23/09	275,000	117,000	158,000	00
	*Less Sale of Principal Residence exclusion					(158,000)	00
2.	Capital Gains Distributions					2.	
3.	Other Net Gains					3.	
4.	Net Gains (Add Lines 1, 2, and 3) (Enter here and on Line 18. If loss enter ZERO here and make no entry on Line 18)....					4.	0 00

Schedule C		NET GAINS OR INCOME FROM RENTS, ROYALTIES, PATENTS AND COPYRIGHTS		List the net gains or net income, less net loss, derived from or in the form of rents, royalties, patents, and copyrights as reported on your Federal Income Tax Return. If you have passive losses for Federal purposes, see instructions.			
1.	a. Kind of Property	b. Net Rental Income (Loss)	c. Net Income From Royalties	d. Net Income From Patents	e. Net Income From Copyrights		
	Rental Property 129 Bay Rd. Cape May	(524)					
2.	Totals	b. (524)	c.	d.	e.		
3.	Net income (Combine Columns b, c, d, and e) (Enter here and on Line 22. If loss enter ZERO here and make no entry on Line 22)					3.	0

Example 2

Henry James (Age 65)

SS# 999-21-2351

Mary James (Age 64)

SS# 999-35-1443

125 Madison Street

Morris, NJ 07082 (Morris County)

Mr. and Mrs. James are full-year residents of New Jersey. They are married and file a joint return, with no dependents.

Henry's wages	\$2,940
Joint taxable interest	1,000
Joint exempt interest	3,500
Joint dividends	2,500
Mary's fully taxable pension.....	2,500
Henry's fully taxable pension	6,000
Henry's 1st year IRA withdrawal.....	1,200
Total joint Social Security	17,500
NJ income tax withholdings	45
Rent paid	9,600

The value of Henry's traditional IRA on December 31, 2009, was \$12,455 with previously taxed contributions in the amount of \$10,000. Part I of "Worksheet C - IRA Withdrawals" contained in the NJ-1040 resident income tax return instruction booklet must be completed to determine the taxable portion of the IRA withdrawal. Mr. and Mrs. James will retain the worksheet with their tax records and use the information in Part I of the worksheet to complete Part II of the worksheet next year.

They will combine the taxable portion of the IRA withdrawal with their fully taxable pensions to arrive at the total taxable pension to be reported on Line 19 of the State income tax return. After determining the taxable amount,

they will be able to use the pension exclusion to exclude up to \$20,000 because their total income (Line 26, Form NJ-1040) did not exceed \$100,000. Because Mr. and Mrs. James have less than \$20,000 in taxable pension to report on their tax return, they will complete "Worksheet D - Other Retirement Income Exclusion" contained in the NJ-1040 resident income tax return instruction booklet to see if they qualify for an additional exclusion.

As New Jersey residents with gross income of less than \$20,000 for the year, Mr. and Mrs. James have no tax liability to New Jersey but will file the tax return to claim a refund of withholdings.

Mr. and Mrs. James will not complete Schedule 1 (located in the NJ-1040 resident income tax return instruction booklet) to determine whether to take a property tax deduction or a property tax credit as their income is below the minimum filing threshold of \$20,000. They are, however, eligible for a property tax credit of \$50, which will be paid with their tenant home-
stead rebate (provided they complete and file a rebate application, Form TR-1040, on or before November 1, 2010). The Jameses will receive their property tax credit in their tenant rebate check even though they are filing an income tax return.

Since Mr. James is claiming the "Age 65 or Older" exemption for the first time for tax year 2009, he must enclose proof of age with the return. (See [Exemptions](#) on page 3 for acceptable documentation.)

The following pages show how Mr. and Mrs. James will complete their worksheets and tax return.

Worksheet C – IRA Withdrawals	
2009	
Part I	
1. Value of IRA on 12/31/09. Include contributions made for the tax year from 1/1/10 – 4/15/10	1. <u>12,455</u>
2. Total distributions from IRA during the tax year. Do not include tax-free rollovers	2. <u>1,200</u>
3. Total value of IRA. Add lines 1 and 2	3. <u>13,655</u>
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. <u>10,000</u>
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 12/31/09. Subtract either line 4a or 4b from line 3	5. <u>3,655</u>
6. Divide line 5 by line 3 and enter the result as a decimal	6. <u>.268</u>
7. Taxable portion of this year's withdrawal. Multiply line 2 by decimal amount on line 6. Enter here and on Line 19, Form NJ-1040	7. <u>322</u>
(Keep a copy of this worksheet for your records)	

(Partial Worksheet)

Worksheet D	
Other Retirement Income Exclusion	
Age Requirement: 62 or older	
Part-year residents, do not complete this worksheet. See instructions.	
Part I - Unclaimed Pension Exclusion	
Is total income from Line 26, Form NJ-1040 for the entire year MORE than \$100,000?	
<input type="radio"/> Yes. Do not complete Part I. Enter "0" on line 8 and continue with Part II. <input checked="" type="radio"/> No. Continue with line 1.	
1. Enter the amount from Line 14, NJ-1040	1. <u>2,940</u>
2. Enter the amount from Line 17, NJ-1040	2. <u>0</u>
3. Enter the amount from Line 20, NJ-1040	3. <u>0</u>
4. Enter the amount from Line 21, NJ-1040	4. <u>0</u>
5. Add lines 1, 2, 3, and 4	5. <u>2,940</u>
Is the amount on line 5 MORE than \$3,000?	
<input type="radio"/> Yes. Enter "0" on line 8 and continue with Part II. <input checked="" type="radio"/> No. Continue with line 6.	
6. Enter: if your filing status is:	
\$20,000 Married/CU couple, filing joint return	
\$15,000 Single; Head of household; Qualifying widow(er)/ surviving CU partner	
\$10,000 Married/CU partner, filing separate return	6. <u>20,000</u>
7. Enter the amount from Line 27a, NJ-1040	7. <u>8,822</u>
8. Unclaimed Pension Exclusion. Subtract line 7 from line 6. If zero, enter "0." Continue with Part II	8. <u>11,178</u>
Part II - Special Exclusion	
9a. Are you (and/or your spouse/civil union partner if filing jointly) now receiving, or will you (and/or your spouse/civil union partner if filing jointly) ever be eligible to receive Social Security or Railroad Retirement Benefits?	
<input type="checkbox"/> No — Continue with item 9b <input checked="" type="checkbox"/> Yes — Enter "0" on line 9 and continue with line 10	
9b. Would you (and your spouse/civil union partner if filing jointly) be receiving or ever be eligible to receive Social Security or Railroad Retirement Benefits if you had participated in either program?	
<input type="checkbox"/> No — Enter "0" on line 9 and continue with line 10 <input type="checkbox"/> Yes — Enter on line 9 the amount of exclusion for your filing status shown below and continue with line 10	
Enter: if your filing status is:	
\$ 6,000 Married/CU couple, filing joint return; Head of household; Qualifying widow(er)/surviving CU partner	
\$ 3,000 Single; Married/CU partner, filing separate return	9. <u>0</u>
10. Your Other Retirement Income Exclusion	
Add lines 8 and 9. Enter here and on Line 27b, NJ-1040.	
If the amount here is zero, make no entry on Line 27b	10. <u>11,178</u>

New Jersey Resident Return Examples (tax year 2009)

NJ-1040
2009

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number 9 9 9 - 2 1 - 2 3 5 1		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) James, Henry and Mary																					
Spouse's/CU Partner's Social Security Number 9 9 9 - 3 5 - 1 4 4 3		Home Address (Number and Street, including apartment number or rural route) 125 Madison St.																					
County/Municipality Code (See Table) 1 4 2 2		City, Town, Post Office Morris	State NJ																				
		Zip Code 07082																					
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From <input type="text"/> / <input type="text"/> / <input type="text"/> To <input type="text"/> / <input type="text"/> / <input type="text"/>																							
(Fill in only one) 1. <input type="radio"/> Single 2. <input checked="" type="radio"/> Married/CU Couple, filing joint return 3. <input type="radio"/> Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above 4. <input type="radio"/> Head of household 5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner		6. Regular <input checked="" type="radio"/> Yourself <input checked="" type="radio"/> Spouse/CU Partner <input type="radio"/> Domestic Partner 7. Age 65 or Over <input checked="" type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 9. Number of your qualified dependent children 10. Number of other dependents 11. Dependents attending colleges..... 12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10).....																					
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		Fill in oval if dependent does not have health insurance including NJ FamilyCare/Medicaid, Medicare, private or other (see instructions). <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10px;">a</td> <td style="width:10px;">b</td> <td style="width:10px;">c</td> <td style="width:10px;">d</td> </tr> <tr> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> </tr> <tr> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> </tr> <tr> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> </tr> <tr> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> <td><input type="radio"/></td> </tr> </table>		a	b	c	d	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
a	b	c	d																				
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																				
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																				
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																				
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>																				
GUBERNATORIAL ELECTIONS FUND Do you wish to designate \$1 of your taxes for this fund? <input checked="" type="radio"/> Yes If joint return, does your spouse/CU partner wish to designate \$1? <input checked="" type="radio"/> Yes		<input type="radio"/> No <input type="radio"/> No Note: If you fill in the "Yes" oval(s) it will not increase your tax or reduce your refund.																					
Under the penalties of perjury, I declare that I have examined this income tax return (and rebate application, if completed), including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If completing a rebate application (Form TR-1040), I also declare that I occupied the rental property for which I am applying for the tenant homestead rebate as my principal residence on October 1, 2009. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.		Pay amount on Line 54 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation																					
→ _____ Your Signature Date																							
→ _____ Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date																							

14. Wages, salaries, tips, and other employee compensation (Enclose W-2).....	14			,			2	,	9	4	0	.	0	0
15a. Taxable interest income (See instr.) (Enclose Federal Schedule B if over \$1,500)	15a			,			1	,	0	0	0	.	0	0
15b. Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b			,			3	,	5	0	0	.	0	0
16. Dividends	16			,			2	,	5	0	0	.	0	0
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040).....	17			,				,				.		
18. Net gains or income from disposition of property (Schedule B, Line 4).....	18			,				,				.		
19. Pensions, Annuities, and IRA Withdrawals (See instructions).....	19			,			8	,	8	2	2	.	0	0
20. Distributive Share of Partnership Income (Enclose Schedule) (See instructions).....	20			,				,				.		
21. Net pro rata share of S Corporation Income (Enclose Schedule) (See instructions).....	21			,				,				.		
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3).....	22			,				,				.		
23. Net Gambling Winnings (See instructions)	23			,				,				.		
24. Alimony and separate maintenance payments received	24			,				,				.		
25. Other (Enclose Schedule) (See instructions).....	25			,				,				.		
26. Total Income (Add Lines 14, 15a, and 16 through 25).....	26			,			1	,	5	2	6	.	2	0
27a. Pension Exclusion (See instructions)	27a		8	,	8	2	2	.	0	0		.		
27b. Other Retirement Income Exclusion (See worksheet and instructions).....	27b	1	1	,	1	7	8	.	0	0		.		
27c. Total Exclusion Amount (Add Line 27a and Line 27b)	27c		2	,	0			.	0	0	0	.	0	0
28. New Jersey Gross Income (Subtract Line 27c from Line 26) See instructions	28			,				,				.		
29. Total Exemption Amount (See instructions to calculate amount)..... (Part-Year Residents see instructions)	29			,				,				.		
30. Medical Expenses (See Worksheet and instructions)	30			,				,				.		
31. Alimony and Separate Maintenance Payments	31			,				,				.		
32. Qualified Conservation Contribution	32			,				,				.		
33. Health Enterprise Zone Deduction.....	33			,				,				.		
34. Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33).....	34			,				,				.		
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY.....	35			,				,				.		
36a. Total Property Taxes Paid (See instructions).....	36a			,				,				.		
36b. Indicate your residency status during 2009 (fill in only one oval).....														
36c. Property Tax Deduction (See instructions).....	36c			,				,				.		
37. If filing status is Married/CU Partner, filing separate return (#3, Page 1), and both spouses/CU partners occupied the same residence, fill in oval.....														
38. NEW JERSEY TAXABLE INCOME (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY.....	38			,				,				.		

New Jersey Resident Return Examples (tax year 2009)

NJ-1040 (2009) Page 3

39. Tax (From Tax Table)		39						
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).		40						
41. Balance of Tax (Subtract Line 40 from Line 39).....		41						
42. Sheltered Workshop Tax Credit		42						
43. Balance of Tax after Credit (Subtract Line 42 from Line 41).....		43						
44. Use Tax Due on Out-of-State Purchases (See instructions)		44				0	0	0
If no Use Tax, enter ZERO (0.00).								
45. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed.....		45						
46. Total Tax and Penalty (Add Lines 43, 44, and 45).....		46						
47. Total New Jersey Income Tax Withheld (From enclosed Forms W-2 and 1099).....		47				4	5	0
48. Property Tax Credit (See instructions)		48						
49. New Jersey Estimated Tax Payments/Credit from 2008 tax return		49						
50. New Jersey Earned Income Tax Credit (See instructions) Fill in <input type="radio"/> Fill in oval if you had the IRS figure your Federal Earned Income Credit only one <input type="radio"/> Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit		50						
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450).....		51						
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450)		52						
53. Total Payments/Credits (Add Lines 47 through 52).....		53				4	5	0
54. If Line 53 is LESS THAN Line 46, enter AMOUNT YOU OWE		54						
Fill in <input type="radio"/> if paying by e-check or credit card. If you owe tax, you may make a donation by entering an amount on Lines 57, 58, 59, 60, 61, and/or 62 and adding this to your payment amount.								
55. If Line 53 is MORE THAN Line 46, enter OVERPAYMENT		55				4	5	0
Deductions from Overpayment on Line 55 which you elect to credit to:								
56. Your 2010 tax		56						
57. N.J. Endangered Wildlife Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	57						
58. N.J. Children's Trust Fund To Prevent Child Abuse	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	58						
59. N.J. Vietnam Veterans' Memorial Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	59						
60. N.J. Breast Cancer Research Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	60						
61. U.S.S. New Jersey Educational Museum Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	61						
62. Other Designated Contribution..... See instructions	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	62						
63. Total Deductions from Overpayment (Add Lines 56 through 62)		63						
64. REFUND (Amount to be sent to you. Subtract Line 63 from Line 55).....		64				4	5	0

Example 3

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

Mr. Benson was a part-year resident of New Jersey. He lived here from January 1, 2009, to January 31, 2009. Mr. Benson files as head of household with 1 dependent child attending college full time (John, age 19).

While a New Jersey resident:

Albert's wages (from Phila.).....	\$ 4,300
Albert's wages (from NJ).....	2,000
Unreimbursed medical expenses.....	300
Taxable interest.....	50
New Jersey Lottery winnings.....	350
Total NJ income tax withheld.....	16
Philadelphia wage tax paid.....	160
Rent paid (one month).....	850

Income earned while a nonresident:

(from outside New Jersey) \$ 65,000

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

Mr. Benson may deduct unreimbursed medical expenses paid during the period of time he lived in New Jersey in excess of 2% of his New Jersey income. To arrive at that figure, he will complete "Worksheet E - Deduction for Medical Expenses" in the NJ-1040 resident income tax return instruction booklet.

Mr. Benson works in Philadelphia and must pay a Philadelphia wage tax on his salary. To calculate the amount of his credit for taxes paid to another jurisdiction, Mr. Benson will complete a New Jersey Schedule A. In order to determine the amount of salary actually taxed by Philadelphia (to be entered on Line 1 of Schedule A), the amount of wage tax deducted from Mr. Benson's salary must be divided by the Philadelphia nonresident tax rate (.035 from January 1 to June 30, 2009). He will enter on Line 40, Form NJ-1040 the total amount of credit allowed from his Schedule A. He must also enter at Line 40 the jurisdiction code for Philadelphia, which is "52."

The following pages show how Mr. Benson will complete his State tax return, New Jersey Schedule 1, Schedule A, Worksheet F, and Worksheet E. When Mr. Benson completes Schedule A, he determines that he will receive a greater tax benefit by taking a Property Tax Credit. His prorated credit in the amount of \$4, along with \$16 in New Jersey withholdings, will be applied against his \$23 tax liability. A balance of \$3 is due with his return but Mr. Benson will enclose a check for \$23 so that he can donate \$20 to the New Jersey Children's Trust Fund.

New Jersey Resident Return Examples (tax year 2009)

NJ-1040
2009

STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN

Your Social Security Number 9 9 9 - 7 8 - 5 5 4 3		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) Benson, Albert																													
Spouse's/CU Partner's Social Security Number 		Home Address (Number and Street, including apartment number or rural route) 12 Terrace View Lane																													
County/Municipality Code (See Table) 		City, Town, Post Office Houston	State TX																												
		Zip Code 77052																													
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From 0 1 / 0 1 / 0 9 To 0 1 / 3 1 / 0 9																															
(Fill in only one) 1. <input type="radio"/> Single 2. <input type="radio"/> Married/CU Couple, filing joint return 3. <input type="radio"/> Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above 4. <input checked="" type="radio"/> Head of household 5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner		6. Regular <input checked="" type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner <input type="radio"/> Domestic Partner 7. Age 65 or Over <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 9. Number of your qualified dependent children 10. Number of other dependents 11. Dependents attending colleges 12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10)																													
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align:center;">6</td> <td style="width:10%; text-align:center;">1</td> <td colspan="2" rowspan="3" style="text-align:center; vertical-align:middle;">ENTER NUMBERS HERE</td> </tr> <tr> <td style="width:10%; text-align:center;">7</td> <td style="width:10%; text-align:center;"> </td> </tr> <tr> <td style="width:10%; text-align:center;">8</td> <td style="width:10%; text-align:center;"> </td> </tr> <tr> <td colspan="2"></td> <td style="width:10%; text-align:center;">9</td> <td style="width:10%; text-align:center;">1</td> </tr> <tr> <td colspan="2"></td> <td style="width:10%; text-align:center;">10</td> <td style="width:10%; text-align:center;"> </td> </tr> <tr> <td colspan="2"></td> <td style="width:10%; text-align:center;">11</td> <td style="width:10%; text-align:center;">1</td> </tr> <tr> <td colspan="2"></td> <td style="width:10%; text-align:center;">12a</td> <td style="width:10%; text-align:center;">2</td> </tr> <tr> <td colspan="2"></td> <td style="width:10%; text-align:center;">12b</td> <td style="width:10%; text-align:center;">1</td> </tr> </table>		6	1	ENTER NUMBERS HERE		7		8				9	1			10				11	1			12a	2			12b	1
6	1	ENTER NUMBERS HERE																													
7																															
8																															
		9	1																												
		10																													
		11	1																												
		12a	2																												
		12b	1																												
13. Dependent's Last Name, First Name, Middle Initial		Dependent's Social Security Number	Birth Year																												
a Benson, John M.		9 9 9 - 6 2 - 4 6 8 9	1 9 9 0																												
b																															
c																															
d																															
		Fill in oval if dependent does not have health insurance including NJ FamilyCare/Medicaid, Medicare, private or other (see instructions).																													
		<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>																													
GUBERNATORIAL ELECTIONS FUND		Do you wish to designate \$1 of your taxes for this fund? <input checked="" type="radio"/> Yes <input type="radio"/> No If joint return, does your spouse/CU partner wish to designate \$1? <input type="radio"/> Yes <input type="radio"/> No																													
Under the penalties of perjury, I declare that I have examined this income tax return (and rebate application, if completed), including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If completing a rebate application (Form TR-1040), I also declare that I occupied the rental property for which I am applying for the tenant homestead rebate as my principal residence on October 1, 2009. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.		Pay amount on Line 54 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation																													
→ _____ Your Signature Date																															
→ _____ Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date																															

14. Wages, salaries, tips, and other employee compensation (Enclose W-2).....	14				6			3	0	0	0	0
15a. Taxable interest income (See instr.) (Enclose Federal Schedule B if over \$1,500)	15a							5	0		0	0
15b. Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b											
16. Dividends.....	16											
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040).....	17											
18. Net gains or income from disposition of property (Schedule B, Line 4).....	18											
19. Pensions, Annuities, and IRA Withdrawals (See instructions).....	19											
20. Distributive Share of Partnership Income (Enclose Schedule) (See instructions).....	20											
21. Net pro rata share of S Corporation Income (Enclose Schedule) (See instructions).....	21											
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3).....	22											
23. Net Gambling Winnings (See instructions).....	23											
24. Alimony and separate maintenance payments received.....	24											
25. Other (Enclose Schedule) (See instructions).....	25											
26. Total Income (Add Lines 14, 15a, and 16 through 25).....	26					6		3	5	0	0	0
27a. Pension Exclusion (See instructions).....	27a											
27b. Other Retirement Income Exclusion (See worksheet and instructions).....	27b											
27c. Total Exclusion Amount (Add Line 27a and Line 27b).....	27c											
28. New Jersey Gross Income (Subtract Line 27c from Line 26) See instructions.....	28					6		3	5	0	0	0
29. Total Exemption Amount (See instructions to calculate amount)..... (Part-Year Residents see instructions)	29							2	9	2	0	0
30. Medical Expenses (See Worksheet and instructions).....	30							1	7	3	0	0
31. Alimony and Separate Maintenance Payments.....	31											
32. Qualified Conservation Contribution.....	32											
33. Health Enterprise Zone Deduction.....	33											
34. Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33).....	34							4	6	5	0	0
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY.....	35					5		8	8	5	0	0
36a. Total Property Taxes Paid (See instructions).....	36a							1	5	3	0	0
36b. Indicate your residency status during 2009 (fill in only one oval).....	<input type="radio"/> Homeowner <input checked="" type="radio"/> Tenant <input type="radio"/> Both											
36c. Property Tax Deduction (See instructions).....	36c											
37. If filing status is Married/CU Partner, filing separate return (#3, Page 1), and both spouses/CU partners occupied the same residence, fill in oval.....	<input type="radio"/>											
38. NEW JERSEY TAXABLE INCOME (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY.....	38					5		8	8	5	0	0

New Jersey Resident Return Examples (tax year 2009)

NJ-1040 (2009) Page 3

39. Tax (From Tax Table)		39				8	2	0	0
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).	5 2	40				5	9	0	0
41. Balance of Tax (Subtract Line 40 from Line 39).....		41				2	3	0	0
42. Sheltered Workshop Tax Credit		42							
43. Balance of Tax after Credit (Subtract Line 42 from Line 41).....		43				2	3	0	0
44. Use Tax Due on Out-of-State Purchases (See instructions)		44					0	0	0
If no Use Tax, enter ZERO (0.00).									
45. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed.....		45							
46. Total Tax and Penalty (Add Lines 43, 44, and 45).....		46				2	3	0	0
47. Total New Jersey Income Tax Withheld (From enclosed Forms W-2 and 1099).....		47				1	6	0	0
48. Property Tax Credit (See instructions).....		48					4	0	0
49. New Jersey Estimated Tax Payments/Credit from 2008 tax return		49							
50. New Jersey Earned Income Tax Credit (See instructions) Fill in <input type="radio"/> Fill in oval if you had the IRS figure your Federal Earned Income Credit only one <input type="radio"/> Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit		50							
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450).....		51							
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450).....		52							
53. Total Payments/Credits (Add Lines 47 through 52).....		53				2	0	0	0
54. If Line 53 is LESS THAN Line 46, enter AMOUNT YOU OWE		54					3	0	0
Fill in <input type="radio"/> if paying by e-check or credit card.									
If you owe tax, you may make a donation by entering an amount on Lines 57, 58, 59, 60, 61, and/or 62 and adding this to your payment amount.									
55. If Line 53 is MORE THAN Line 46, enter OVERPAYMENT		55							
Deductions from Overpayment on Line 55 which you elect to credit to:									
56. Your 2010 tax		56							
57. N.J. Endangered Wildlife Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	57							
58. N.J. Children's Trust Fund To Prevent Child Abuse	<input type="checkbox"/> \$10 <input checked="" type="checkbox"/> \$20 <input type="checkbox"/> Other	58				2	0	0	0
59. N.J. Vietnam Veterans' Memorial Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	59							
60. N.J. Breast Cancer Research Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	60							
61. U.S.S. New Jersey Educational Museum Fund	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	61							
62. Other Designated Contribution..... See instructions	<input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other	62							
	0								
63. Total Deductions from Overpayment (Add Lines 56 through 62).....		63				2	0	0	0
64. REFUND (Amount to be sent to you. Subtract Line 63 from Line 55).....		64							

Worksheet E	
Deduction for Medical Expenses	
(Keep for your records)	
1. Total nonreimbursed medical expenses	1. <u>300</u>
2. Enter Line 28, Form NJ-1040 <u>6,350</u> × .02 =	2. <u>127</u>
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero	3. <u>173</u>
4. Enter the amount of your qualified Archer MSA contributions from Federal Form 8853	4. <u>0</u>
5. Enter the amount of your self-employed health insurance deduction	5. <u>0</u>
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. <u>173</u>

Schedule 1 – Property Tax Deduction/Credit	
Review the eligibility requirements before completing Schedule 1. Part-year residents see instructions.	
Complete both columns of this schedule to find out whether the Property Tax Deduction or the Credit is better for you. If you claim a credit for taxes paid to other jurisdictions, complete only Lines 1 and 2 of this schedule. Then complete Schedule A and Worksheet F.	
1. Property Tax. Enter the property taxes you paid in 2009 from Line 36a of Form NJ-1040. Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 36a. See instructions.	1. <u>153</u>
2. Property Tax Deduction. Homeowners enter appropriate amount from Chart A . Tenants enter appropriate amount from Chart B . If you were both a homeowner and a tenant during the year, see instructions.	2. <u>153</u>
STOP if you are claiming a credit for taxes paid to other jurisdictions. Complete only Lines 1 and 2. Then complete Schedule A and Worksheet F. See instructions.	
3. Taxable Income (Copy from Line 35 of Form NJ-1040)	3. <u> </u>
4. Property Tax Deduction (Copy from Line 2 of this schedule)	4. <u> - 0 - </u>
5. Taxable Income After Property Tax Deduction (Subtract Line 4 from Line 3)	5. <u> </u>
6. Tax you would pay on Line 5 amount (enter amount from Tax Table/Tax Rate Schedules)	6. <u> </u>
7. Subtract Line 6, Column A from Line 6, Column B and enter the result here	7. <u> </u>
8. Is the Line 7 amount \$50 or more (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)?	
<input type="radio"/> Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.	
Form NJ-1040 Line 36c Line 38 Line 39 Line 48	Enter amount from: Line 4, Column A Line 5, Column A Line 6, Column A Make no entry
<input type="radio"/> No. You receive a greater tax benefit from the Property Tax Credit. (Part-year residents , see instructions before answering "No.") Make the following entries on Form NJ-1040.	
Form NJ-1040 Line 36c Line 38 Line 39 Line 48	Enter amount from: Make no entry Line 5, Column B Line 6, Column B \$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents , see instructions.

New Jersey Resident Return Examples (tax year 2009)

Schedule A CREDIT FOR INCOME OR WAGE TAXES PAID TO OTHER JURISDICTION		If you are claiming a credit for income taxes paid to more than one jurisdiction, a separate Schedule A must be enclosed for each.			
A COPY OF OTHER STATE OR POLITICAL SUBDIVISION TAX RETURN MUST BE RETAINED WITH YOUR RECORDS					
1.	Income actually taxed by other jurisdiction during tax year (indicate name <u>Phila</u>) (DO NOT combine the same income taxed by more than one jurisdiction) (The amount on Line 1 cannot exceed the amount shown on Line 2)	1.	4,571		
2.	Income subject to tax by New Jersey (From Line 28, Form NJ-1040)	2.	6,350		
3.	Maximum Allowable Credit Percentage 1 4,571 (Divide Line 2 into Line 1) 2 6,350	3.		71.9843%	
IF YOU ARE NOT ELIGIBLE FOR A PROPERTY TAX BENEFIT ONLY COMPLETE COLUMN B.		COLUMN A		COLUMN B	
4.	Taxable Income (after Exemptions and Deductions) from Line 35, Form NJ-1040	4.	5,885	4.	5,885
5.	Property Tax and Deduction Enter in Box 5a the amount from Schedule 1, Line 1. See instructions.	5a	153		
	Property tax deduction. Enter the amount from Schedule 1, Line 2. See instructions.	5.	153	5.	- 0 -
6.	New Jersey Taxable Income (Line 4 minus Line 5)	6.	5,732	6.	5,885
7.	Tax on Line 6 amount (From Tax Table or Tax Rate Schedules)	7.	80	7.	82
8.	Allowable Credit (Line 3 times Line 7)	8.	58	8.	59
9.	Credit for Taxes Paid to Other Jurisdiction Enter in Box 9a the income or wage tax paid to other jurisdictions during tax year on income shown on Line 1. See instructions.	9a	160		
	Credit allowed. (Enter lesser of Line 8 or Box 9a). (The credit may not exceed your New Jersey tax on Line 39).	9.	58	9.	59

- If you are not eligible for a property tax benefit, enter the amount from Line 9, Column B, on Line 40, Form NJ-1040. Make no entry on Lines 36c or 48, Form NJ-1040.
- If you are eligible for a property tax benefit, you must complete Worksheet F to determine whether you receive a greater benefit by claiming a property tax deduction or taking the property tax credit.

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.	80		1.	82				
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.	58		2.	59				
3. Balance of Tax Due. Subtract line 2 from line 1 in each column.....	3.	22		3.	23				
4. Subtract line 3, Column A from line 3, Column B and enter result here				4.	1				
<p>5. Is the line 4 amount \$50 or more (\$25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence)?</p> <p><input type="radio"/> Yes. You receive a greater tax benefit by taking the Property Tax Deduction. Make the following entries on Form NJ-1040.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48 </td> <td style="width: 50%; vertical-align: top;"> <i>Enter amount from:</i> Line 5, Column A, Schedule A Line 6, Column A, Schedule A Line 7, Column A, Schedule A Line 2, Column A, Worksheet F Make no entry </td> </tr> </table> <p><input checked="" type="radio"/> No. You receive a greater tax benefit from the Property Tax Credit. (Part-year residents, see instructions before answering "No.") Make the following entries on Form NJ-1040.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48 </td> <td style="width: 50%; vertical-align: top;"> <i>Enter amount from:</i> Make no entry Line 6, Column B, Schedule A Line 7, Column B, Schedule A Line 2, Column B, Worksheet F \$50 (\$25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents, see instructions. </td> </tr> </table>						<i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48	<i>Enter amount from:</i> Line 5, Column A, Schedule A Line 6, Column A, Schedule A Line 7, Column A, Schedule A Line 2, Column A, Worksheet F Make no entry	<i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48	<i>Enter amount from:</i> Make no entry Line 6, Column B, Schedule A Line 7, Column B, Schedule A Line 2, Column B, Worksheet F \$50 (\$25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents , see instructions.
<i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48	<i>Enter amount from:</i> Line 5, Column A, Schedule A Line 6, Column A, Schedule A Line 7, Column A, Schedule A Line 2, Column A, Worksheet F Make no entry								
<i>Form NJ-1040</i> Line 36c Line 38 Line 39 Line 40 Line 48	<i>Enter amount from:</i> Make no entry Line 6, Column B, Schedule A Line 7, Column B, Schedule A Line 2, Column B, Worksheet F \$50 (\$25 if you or your spouse/civil union partner file separate returns but maintain the same principal residence). Part-year residents , see instructions.								

Example 4

Fiona Doolittle (Age 55)

SS# 999-11-3260

Eliza Doolittle (Age 57)

SS# 999-21-1221

222 Alpacca Avenue

Princeton, NJ 08540 (Mercer County)

Fiona Doolittle is a full-year resident of New Jersey. She and her civil union partner, Eliza, file separate returns, but maintain the same principal residence. They have no dependents.

Fiona's wages.....	\$122,731
Eliza's wages.....	33,724
Fiona's taxable interest	2,128
Fiona's NJ income tax withholdings...	5,454
Property taxes paid.....	12,022

Fiona reports only her own income when completing Lines 14-25, Form NJ-1040.

Since Fiona files a separate return but occupies the same principal residence with her partner, she will enter only one-half of the property taxes due and paid on Line 36a.

On Line 1, Schedule 1, Fiona enters the amount of property taxes from Line 36a, Form NJ-1040. She must then refer to [Chart A](#) in the NJ-1040 instruction booklet before completing Line 2. When determining her property tax deduction amount for Line 2 of Schedule 1 from [Chart A](#), Fiona will use combined income for herself and Eliza (\$158,583). Fiona will enter \$2,500 on Line 2, Schedule 1.

After completing Schedule 1, Fiona determines she will receive a greater tax benefit by taking the property tax deduction.

Fiona will also fill in the oval at Line 37 to indicate that her filing status is #3, "Married/CU partner, filing separate return," and both she and Eliza occupy the same principal residence.

Fiona's \$5,454 in New Jersey withholdings will be applied against her \$5,604 tax liability. A balance of \$150 is due with her return.

The following pages show how Fiona Doolittle will complete her State income tax return.

**NJ-1040
2009**

**STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN**

Your Social Security Number 9 9 9 - 1 1 - 3 2 6 0		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) Doolittle, Fiona																											
Spouse's/CU Partner's Social Security Number 9 9 9 - 2 1 - 1 2 2 1		Home Address (Number and Street, including apartment number or rural route) 222 Alpacca Ave																											
County/Municipality Code (See Table) 1 1 1 0		City, Town, Post Office Princeton Township		State NJ	Zip Code 08540																								
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: (Fill in only one)		From <input type="text"/> / <input type="text"/> / <input type="text"/> To <input type="text"/> / <input type="text"/> / <input type="text"/>		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:5%; text-align:center;">6</td> <td style="width:5%; text-align:center;">1</td> <td colspan="2" rowspan="3" style="text-align:center; vertical-align:middle;">ENTER NUMBERS HERE</td> </tr> <tr> <td style="width:5%; text-align:center;">7</td> <td style="width:5%; text-align:center;"></td> </tr> <tr> <td style="width:5%; text-align:center;">8</td> <td style="width:5%; text-align:center;"></td> </tr> <tr> <td colspan="2">9. Number of your qualified dependent children</td> <td style="width:5%; text-align:center;">9</td> <td style="width:5%; text-align:center;"></td> </tr> <tr> <td colspan="2">10. Number of other dependents</td> <td style="width:5%; text-align:center;">10</td> <td style="width:5%; text-align:center;"></td> </tr> <tr> <td colspan="2">11. Dependents attending colleges</td> <td style="width:5%; text-align:center;">11</td> <td style="width:5%; text-align:center;"></td> </tr> <tr> <td colspan="2">12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10)</td> <td style="width:5%; text-align:center;">12a</td> <td style="width:5%; text-align:center;">1 12b</td> </tr> </table>		6	1	ENTER NUMBERS HERE		7		8		9. Number of your qualified dependent children		9		10. Number of other dependents		10		11. Dependents attending colleges		11		12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10)		12a	1 12b
6	1	ENTER NUMBERS HERE																											
7																													
8																													
9. Number of your qualified dependent children		9																											
10. Number of other dependents		10																											
11. Dependents attending colleges		11																											
12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10)		12a	1 12b																										
1. <input type="radio"/> Single 2. <input type="radio"/> Married/CU Couple, filing joint return 3. <input checked="" type="radio"/> Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes provided above 4. <input type="radio"/> Head of household 5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner		6. Regular <input checked="" type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner <input type="radio"/> Domestic Partner 7. Age 65 or Over <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 9. Number of your qualified dependent children																											
13. Dependent's Last Name, First Name, Middle Initial		Dependent's Social Security Number		Birth Year																									
a _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																									
b _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																									
c _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																									
d _____		<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>																									
GUBERNATORIAL ELECTIONS FUND		Do you wish to designate \$1 of your taxes for this fund? <input checked="" type="radio"/> Yes <input type="radio"/> No If joint return, does your spouse/CU partner wish to designate \$1? <input type="radio"/> Yes <input type="radio"/> No		<input type="radio"/> No <input type="radio"/> No <small>Note: If you fill in the "Yes" oval(s) it will not increase your tax or reduce your refund.</small>																									
Under the penalties of perjury, I declare that I have examined this income tax return (and rebate application, if completed), including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If completing a rebate application (Form TR-1040), I also declare that I occupied the rental property for which I am applying for the tenant homestead rebate as my principal residence on October 1, 2009. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.		Pay amount on Line 54 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation																											
→ _____ Your Signature Date		→ _____ Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign) Date																											

New Jersey Resident Return Examples (tax year 2009)

NJ-1040 (2009) Page 2

14. Wages, salaries, tips, and other employee compensation (Enclose W-2).....	14				1	2	2		7	3	1	0	0
15a. Taxable interest income (See instr.) (Enclose Federal Schedule B if over \$1,500)	15a						2		1	2	8	0	0
15b. Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b												
16. Dividends	16												
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040).....	17												
18. Net gains or income from disposition of property (Schedule B, Line 4).....	18												
19. Pensions, Annuities, and IRA Withdrawals (See instructions).....	19												
20. Distributive Share of Partnership Income (Enclose Schedule) (See instructions).....	20												
21. Net pro rata share of S Corporation Income (Enclose Schedule) (See instructions).....	21												
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3).....	22												
23. Net Gambling Winnings (See instructions).....	23												
24. Alimony and separate maintenance payments received	24												
25. Other (Enclose Schedule) (See instructions).....	25												
26. Total Income (Add Lines 14, 15a, and 16 through 25).....	26				1	2	4		8	5	9	0	0
27a. Pension Exclusion (See instructions)	27a												
27b. Other Retirement Income Exclusion (See worksheet and instructions).....	27b												
27c. Total Exclusion Amount (Add Line 27a and Line 27b).....	27c												
28. New Jersey Gross Income (Subtract Line 27c from Line 26) See instructions.....	28				1	2	4		8	5	9	0	0
29. Total Exemption Amount (See instructions to calculate amount)..... (Part-Year Residents see instructions)	29						1		0	0	0	0	0
30. Medical Expenses (See Worksheet and instructions)	30												
31. Alimony and Separate Maintenance Payments	31												
32. Qualified Conservation Contribution	32												
33. Health Enterprise Zone Deduction.....	33												
34. Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33).....	34						1		0	0	0	0	0
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY.....	35				1	2	3		8	5	9	0	0
36a. Total Property Taxes Paid (See instructions).....	36a					6			0	1	1	0	0
36b. Indicate your residency status during 2009 (fill in only one oval).....									<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>		
36c. Property Tax Deduction (See instructions).....	36c						2		5	0	0	0	0
37. If filing status is Married/CU Partner, filing separate return (#3, Page 1), and both spouses/CU partners occupied the same residence, fill in oval.....									<input checked="" type="radio"/>				
38. NEW JERSEY TAXABLE INCOME (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY.....	38				1	2	1		3	5	9	0	0

39. Tax (From Tax Table)		39		5	6	0	4	0	0
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).	<input type="text"/>	40							
41. Balance of Tax (Subtract Line 40 from Line 39).....		41		5	6	0	4	0	0
42. Sheltered Workshop Tax Credit		42							
43. Balance of Tax after Credit (Subtract Line 42 from Line 41).....		43		5	6	0	4	0	0
44. Use Tax Due on Out-of-State Purchases (See instructions)		44					0	0	0
If no Use Tax, enter ZERO (0.00).									
45. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed.....		45							
46. Total Tax and Penalty (Add Lines 43, 44, and 45).....		46		5	6	0	4	0	0
47. Total New Jersey Income Tax Withheld (From enclosed Forms W-2 and 1099).....		47		5	4	5	4	0	0
48. Property Tax Credit (See instructions)					48				
49. New Jersey Estimated Tax Payments/Credit from 2008 tax return		49							
50. New Jersey Earned Income Tax Credit (See instructions) Fill in <input type="radio"/> Fill in oval if you had the IRS figure your Federal Earned Income Credit only one Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit <input type="radio"/>					50				
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450).....					51				
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450).....					52				
53. Total Payments/Credits (Add Lines 47 through 52).....		53		5	4	5	4	0	0
54. If Line 53 is LESS THAN Line 46, enter AMOUNT YOU OWE		54			1	5	0	0	0
Fill in <input type="radio"/> if paying by e-check or credit card. If you owe tax, you may make a donation by entering an amount on Lines 57, 58, 59, 60, 61, and/or 62 and adding this to your payment amount.									
55. If Line 53 is MORE THAN Line 46, enter OVERPAYMENT		55							
Deductions from Overpayment on Line 55 which you elect to credit to:									
56. Your 2010 tax		56							
57. N.J. Endangered Wildlife Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other					57				
58. N.J. Children's Trust Fund To Prevent Child Abuse <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other					58				
59. N.J. Vietnam Veterans' Memorial Fund..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other					59				
60. N.J. Breast Cancer Research Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other					60				
61. U.S.S. New Jersey Educational Museum Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other					61				
62. Other Designated Contribution..... <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other See instructions					62				
				0					
63. Total Deductions from Overpayment (Add Lines 56 through 62).....		63							
64. REFUND (Amount to be sent to you. Subtract Line 63 from Line 55).....		64							

New Jersey Resident Return Examples (tax year 2009)

Schedule 1 – Property Tax Deduction/Credit

Review the eligibility requirements before completing Schedule 1. Part-year residents see instructions.

Complete both columns of this schedule to find out whether the Property Tax Deduction or the Credit is better for you. If you claim a credit for taxes paid to other jurisdictions, complete only Lines 1 and 2 of this schedule. Then complete Schedule A and Worksheet F.

1. **Property Tax.** Enter the property taxes you paid in 2009 from Line 36a of Form NJ-1040. Property tax reimbursement (Senior Freeze) applicants do not enter the amount from Line 36a. **See instructions.** 1. 6,011
2. **Property Tax Deduction.** Homeowners enter appropriate amount from [Chart A](#). Tenants enter appropriate amount from [Chart B](#). If you were both a homeowner and a tenant during the year, see instructions. 2. 2,500

STOP if you are claiming a credit for taxes paid to other jurisdictions. Complete only Lines 1 and 2. Then complete Schedule A and Worksheet F. See instructions.

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

Column A		Column B	
3.	123,859	3.	123,859
4.	2,500	4.	- 0 -
5.	121,359	5.	123,859
6.	5,604	6.	5,764
7.		7.	160

8. **Is the Line 7 amount \$50 or more (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence)?**

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

Form NJ-1040
Line 36c
Line 38
Line 39
Line 48

Enter amount from:
Line 4, Column A
Line 5, Column A
Line 6, Column A
Make no entry

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

Form NJ-1040
Line 36c
Line 38
Line 39
Line 48

Enter amount from:
Make no entry
Line 5, Column B
Line 6, Column B
\$50 (\$25 if you and your spouse/civil union partner file separate returns but maintain the same principal residence). **Part-year residents**, see instructions.

Example 5

Steve Grey (Age 41)
SS# 999-26-4921
Karen Grey (Age 39)
SS# 999-26-5814
222 Pine Bark Drive
Voorhees, NJ 08360 (Camden County)

Mr. and Mrs. Grey are full-year residents of New Jersey. They are married and file a joint return. They have 2 dependent children (ages 16 and 13).

Steve's wages	\$ 12,200
Karen's wages	4,500
Joint taxable interest	100
Total NJ income tax withheld	250
Property taxes paid.....	2,370
Federal earned income credit	5,028

Mr. and Mrs. Grey's gross income is below the minimum filing threshold of \$20,000 (married/CU couple, filing joint). Although they have no tax liability to New Jersey, they will need to file the tax return to claim a refund of withholdings and to apply for the New Jersey earned income tax credit.

Mr. and Mrs. Grey will complete their NJ-1040 down to Line 28. Since they have no tax liability to New Jersey, they will continue completing the return with Line 44. They are not eligible to claim a property tax deduction/credit because their income is below the minimum filing threshold and neither is 65 or older or blind or disabled.

When Mr. and Mrs. Grey filed their Federal income tax return, they were eligible and applied for an earned income credit. They calculated their New Jersey earned income tax credit on the Earned Income Tax Credit Schedule in the NJ-1040 resident income tax return instruction booklet and entered the amount on Line 50 of their NJ-1040.

The following pages show how Mr. and Mrs. Grey will complete their State income tax return. After taking credit for their withholdings and claiming the New Jersey earned income tax credit, they will be entitled to a refund of \$1,507. However, they are requesting that a \$10 donation be made to the designated fund of their choice and they will receive a refund of \$1,497.

New Jersey Resident Return Examples (tax year 2009)

**NJ-1040
2009**

**STATE OF NEW JERSEY
INCOME TAX-RESIDENT RETURN**

Your Social Security Number 9 9 9 - 2 6 - 4 9 2 1		Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse/CU partner last name ONLY if different) Grey, Steve and Karen																															
Spouse's/CU Partner's Social Security Number 9 9 9 - 2 6 - 5 8 1 4		Home Address (Number and Street, including apartment number or rural route) 222 Pine Bark Drive																															
County/Municipality Code (See Table) 0 4 3 4		City, Town, Post Office Voorhees		State NJ	Zip Code 08360																												
NJ RESIDENCY STATUS If you were a New Jersey resident for ONLY part of the taxable year, give the period of New Jersey residency: From <input type="text"/> / <input type="text"/> / <input type="text"/> To <input type="text"/> / <input type="text"/> / <input type="text"/>																																	
(Fill in only one) 1. <input type="radio"/> Single 2. <input checked="" type="radio"/> Married/CU Couple, filing joint return 3. <input type="radio"/> Married/CU Partner, filing separate return. Enter Spouse's/CU Partner's Social Security Number in the boxes above 4. <input type="radio"/> Head of household 5. <input type="radio"/> Qualifying widow(er)/Surviving CU Partner		6. Regular <input checked="" type="radio"/> Yourself <input checked="" type="radio"/> CU Partner <input type="radio"/> Spouse/ Domestic Partner 7. Age 65 or Over <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 8. Blind or Disabled <input type="radio"/> Yourself <input type="radio"/> Spouse/CU Partner 9. Number of your qualified dependent children 10. Number of other dependents 11. Dependents attending colleges..... 12. Totals (For Line 12a - Add Lines 6, 7, 8, and 11) (For Line 12b - Add Lines 9 and 10).....		<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td>6</td><td>2</td><td colspan="2">ENTER NUMBERS HERE</td></tr> <tr><td>7</td><td></td><td colspan="2"></td></tr> <tr><td>8</td><td></td><td colspan="2"></td></tr> <tr><td></td><td></td><td>9</td><td>2</td></tr> <tr><td></td><td></td><td>10</td><td></td></tr> <tr><td>11</td><td></td><td></td><td></td></tr> <tr><td>12a</td><td>2</td><td>12b</td><td>2</td></tr> </table>		6	2	ENTER NUMBERS HERE		7				8						9	2			10		11				12a	2	12b	2
6	2	ENTER NUMBERS HERE																															
7																																	
8																																	
		9	2																														
		10																															
11																																	
12a	2	12b	2																														
13. Dependent's Last Name, First Name, Middle Initial		Dependent's Social Security Number		Birth Year																													
a Grey, Jennifer		9 9 9 - 1 7 - 0 3 5 5		1 9 9 3																													
b Grey, Matthew		9 9 9 - 4 0 - 8 8 3 8		1 9 9 6																													
c																																	
d																																	
				Fill in oval if dependent does not have health insurance including NJ FamilyCare/ Medicaid, Medicare, private or other (see instructions). <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>																													
GUBERNATORIAL ELECTIONS FUND		Do you wish to designate \$1 of your taxes for this fund? <input type="radio"/> Yes <input type="radio"/> No If joint return, does your spouse/CU partner wish to designate \$1? <input type="radio"/> Yes <input type="radio"/> No		Note: If you fill in the "Yes" oval(s), it will not increase your tax or reduce your refund.																													
Under the penalties of perjury, I declare that I have examined this income tax return (and rebate application, if completed), including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If completing a rebate application (Form TR-1040), I also declare that I occupied the rental property for which I am applying for the tenant homestead rebate as my principal residence on October 1, 2009. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.		Pay amount on Line 54 in full. Write social security number(s) on check or money order and make payable to: STATE OF NEW JERSEY - TGI Mail your check or money order with your NJ-1040-V payment voucher and your return to: NJ Division of Taxation Revenue Processing Center PO Box 111 Trenton, NJ 08645-0111 IF REFUND: NJ Division of Taxation Revenue Processing Center PO Box 555 Trenton, NJ 08647-0555 You may also pay by e-check or credit card. For more information go to: www.state.nj.us/treasury/taxation																															
→ _____ Your Signature		_____		Date																													
→ _____ Spouse's/CU Partner's Signature (if filing jointly, BOTH must sign)		_____		Date																													

14. Wages, salaries, tips, and other employee compensation (Enclose W-2).....	14			,	1	6	,	7	0	0	.	0	0
15a. Taxable interest income (See instr.) (Enclose Federal Schedule B if over \$1,500)	15a			,			,	1	0	0	.	0	0
15b. Tax-exempt interest income (See instructions) (Enclose Schedule) DO NOT include on Line 15a	15b			,			,				.		
16. Dividends.....	16			,			,				.		
17. Net profits from business (Enclose copy of Federal Schedule C, Form 1040).....	17			,			,				.		
18. Net gains or income from disposition of property (Schedule B, Line 4).....	18			,			,				.		
19. Pensions, Annuities, and IRA Withdrawals (See instructions).....	19			,			,				.		
20. Distributive Share of Partnership Income (Enclose Schedule) (See instructions).....	20			,			,				.		
21. Net pro rata share of S Corporation Income (Enclose Schedule) (See instructions).....	21			,			,				.		
22. Net gain or income from rents, royalties, patents & copyrights (Schedule C, Line 3).....	22			,			,				.		
23. Net Gambling Winnings (See instructions).....	23			,			,				.		
24. Alimony and separate maintenance payments received.....	24			,			,				.		
25. Other (Enclose Schedule) (See instructions).....	25			,			,				.		
26. Total Income (Add Lines 14, 15a, and 16 through 25).....	26			,	1	6	,	8	0	0	.	0	0
27a. Pension Exclusion (See instructions).....	27a			,			,				.		
27b. Other Retirement Income Exclusion (See worksheet and instructions).....	27b			,			,				.		
27c. Total Exclusion Amount (Add Line 27a and Line 27b).....	27c			,			,				.		
28. New Jersey Gross Income (Subtract Line 27c from Line 26) See instructions.....	28			,	1	6	,	8	0	0	.	0	0
29. Total Exemption Amount (See instructions to calculate amount)..... (Part-Year Residents see instructions)	29			,			,				.		
30. Medical Expenses (See Worksheet and instructions).....	30			,			,				.		
31. Alimony and Separate Maintenance Payments.....	31			,			,				.		
32. Qualified Conservation Contribution.....	32			,			,				.		
33. Health Enterprise Zone Deduction.....	33			,			,				.		
34. Total Exemptions and Deductions (Add Lines 29, 30, 31, 32, and 33).....	34			,			,				.		
35. Taxable Income (Subtract Line 34 from Line 28) If zero or less, MAKE NO ENTRY.....	35			,			,				.		
36a. Total Property Taxes Paid (See instructions).....	36a			,			,				.		
36b. Indicate your residency status during 2009 (fill in only one oval).....													
36c. Property Tax Deduction (See instructions).....	36c			,			,				.		
37. If filing status is Married/CU Partner, filing separate return (#3, Page 1), and both spouses/CU partners occupied the same residence, fill in oval.....													
38. NEW JERSEY TAXABLE INCOME (Subtract Line 36c from Line 35) If zero or less, MAKE NO ENTRY.....	38			,			,				.		

New Jersey Resident Return Examples (tax year 2009)

NJ-1040 (2009) Page 3

39. Tax (From Tax Table)		39							
40. Credit For Income Taxes Paid to Other Jurisdictions Enter other jurisdiction code (See instructions).		40							
41. Balance of Tax (Subtract Line 40 from Line 39).....		41							
42. Sheltered Workshop Tax Credit		42							
43. Balance of Tax after Credit (Subtract Line 42 from Line 41).....		43							
44. Use Tax Due on Out-of-State Purchases (See instructions) If no Use Tax, enter ZERO (0.00).		44					0	0	0
45. Penalty for Underpayment of Estimated Tax. Fill in <input type="radio"/> if Form NJ-2210 is enclosed.....		45							
46. Total Tax and Penalty (Add Lines 43, 44, and 45).....		46							
47. Total New Jersey Income Tax Withheld (From enclosed Forms W-2 and 1099).....		47				2	5	0	0
48. Property Tax Credit (See instructions)		48							
49. New Jersey Estimated Tax Payments/Credit from 2008 tax return		49							
50. New Jersey Earned Income Tax Credit (See instructions) Fill in <input type="radio"/> Fill in oval if you had the IRS figure your Federal Earned Income Credit only one <input type="radio"/> Fill in oval if you are a CU couple claiming the NJ Earned Income Tax Credit		50	1			2	5	7	0
51. EXCESS New Jersey UI/WF/SWF Withheld (See instructions) (Enclose Form NJ-2450).....		51							
52. EXCESS New Jersey Disability Insurance Withheld (See instructions) (Enclose Form NJ-2450).....		52							
53. Total Payments/Credits (Add Lines 47 through 52).....		53			1	5	0	7	0
54. If Line 53 is LESS THAN Line 46, enter AMOUNT YOU OWE		54							
Fill in <input type="radio"/> if paying by e-check or credit card. If you owe tax, you may make a donation by entering an amount on Lines 57, 58, 59, 60, 61, and/or 62 and adding this to your payment amount.									
55. If Line 53 is MORE THAN Line 46, enter OVERPAYMENT		55			1	5	0	7	0
Deductions from Overpayment on Line 55 which you elect to credit to:		56							
56. Your 2010 tax		56							
57. N.J. Endangered Wildlife Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other		57							
58. N.J. Children's Trust Fund To Prevent Child Abuse <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other		58							
59. N.J. Vietnam Veterans' Memorial Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other		59							
60. N.J. Breast Cancer Research Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other		60							
61. U.S.S. New Jersey Educational Museum Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other		61							
62. Other Designated Contribution..... <input checked="" type="checkbox"/> \$10 <input type="checkbox"/> \$20 <input type="checkbox"/> Other See instructions		62	0	1		1	0	0	0
63. Total Deductions from Overpayment (Add Lines 56 through 62).....		63				1	0	0	0
64. REFUND (Amount to be sent to you. Subtract Line 63 from Line 55).....		64			1	4	9	7	0

Earned Income Tax Credit Worksheet
(Keep for your records)

- | | |
|---|-------|
| 1. Enter the amount of your Federal earned income credit from your 2009 Federal Form 1040 or Form 1040A.....1. | 5,028 |
| Fill in the first oval below Line 50 if you asked the IRS to calculate your Federal earned income credit.
Civil union couples, see instructions. | |
| 2. Enter 25% of amount on line 1 here and on Line 50, Form NJ-1040. Part-year residents, see instructions2. | 1,257 |

For More Information

By Phone

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

Online

- Division of Taxation Web site: www.state.nj.us/treasury/taxation/
- E-mail: 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/listservice.shtml

In Writing

New Jersey Division of Taxation
Information and Publications Branch
PO Box 281
Trenton, NJ 08695-0281

Forms and Publications

- Visit the Division of Taxation's Web site:
Forms — www.state.nj.us/treasury/taxation/forms.shtml
Publications — www.state.nj.us/treasury/taxation/pubs.shtml
- Call NJ TaxFax at **609-826-4500** from your fax machine's phone.
- Call the Forms Request System at **1-800-323-4400** (within NJ, NY, PA, DE and MD) or **609-826-4400** (Touch-tone phones only) to have printed forms or publications mailed to you.
Note: Due to budgetary constraints, supplies are limited and only certain forms and publications can be ordered through this System.

New Jersey Resident Return Examples (tax year 2009)

Chart A – Determining the Property Tax Deduction for Homeowners

If your filing status is married/CU partner, filing separate return, and you and your spouse/civil union partner occupied the same principal residence during the year, you must use your *combined income* to determine your property tax deduction.

Part-year residents must use income from all sources *for the entire year* regardless of where earned.

If you were age 65 or older or blind or disabled on December 31, 2009	And your NJ gross income (Line 28) is							
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td style="text-align: center;"><i>but not over</i></td> </tr> <tr> <td style="text-align: center;">\$ 0</td> <td style="text-align: center;">\$20,000</td> </tr> <tr> <td></td> <td style="text-align: center;">(\$10,000 if single or married/CU partner, filing separate return)</td> </tr> </table>	<i>over</i>	<i>but not over</i>	\$ 0	\$20,000		(\$10,000 if single or married/CU partner, filing separate return)	Do not complete Schedule 1. See instructions.
<i>over</i>	<i>but not over</i>							
\$ 0	\$20,000							
	(\$10,000 if single or married/CU partner, filing separate return)							
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td></td> </tr> <tr> <td style="text-align: center;">\$ 20,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">(\$10,000 if single or married/CU partner, filing separate return)</td> </tr> </table>	<i>over</i>		\$ 20,000			(\$10,000 if single or married/CU partner, filing separate return)	Enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$10,000. Spouses/CU Partners who file separate returns but occupy the same principal residence enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$5,000.
<i>over</i>								
\$ 20,000								
	(\$10,000 if single or married/CU partner, filing separate return)							
If you were under age 65 and not blind or disabled on December 31, 2009	And your NJ gross income (Line 28) is							
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td style="text-align: center;"><i>but not over</i></td> </tr> <tr> <td style="text-align: center;">\$ 0</td> <td style="text-align: center;">\$20,000</td> </tr> <tr> <td></td> <td style="text-align: center;">(\$10,000 if single or married/CU partner, filing separate return)</td> </tr> </table>	<i>over</i>	<i>but not over</i>	\$ 0	\$20,000		(\$10,000 if single or married/CU partner, filing separate return)	Not eligible. Do not complete Schedule 1. Make no entry on Line 36c or Line 48 and continue with Line 37.
	<i>over</i>	<i>but not over</i>						
	\$ 0	\$20,000						
	(\$10,000 if single or married/CU partner, filing separate return)							
<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td style="text-align: center;"><i>but not over</i></td> </tr> <tr> <td style="text-align: center;">\$ 20,000</td> <td style="text-align: center;">\$150,000</td> </tr> <tr> <td></td> <td style="text-align: center;">(\$10,000 if single or married/CU partner, filing separate return)</td> </tr> </table>	<i>over</i>	<i>but not over</i>	\$ 20,000	\$150,000		(\$10,000 if single or married/CU partner, filing separate return)	Enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$10,000. Spouses/CU Partners who file separate returns but occupy the same principal residence enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$5,000.	
<i>over</i>	<i>but not over</i>							
\$ 20,000	\$150,000							
	(\$10,000 if single or married/CU partner, filing separate return)							
<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td style="text-align: center;"><i>but not over</i></td> </tr> <tr> <td style="text-align: center;">\$ 150,000</td> <td style="text-align: center;">\$250,000</td> </tr> </table>	<i>over</i>	<i>but not over</i>	\$ 150,000	\$250,000	Enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$5,000. Spouses/CU Partners who file separate returns but occupy the same principal residence enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$2,500.			
<i>over</i>	<i>but not over</i>							
\$ 150,000	\$250,000							
<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;"><i>over</i></td> <td></td> </tr> <tr> <td style="text-align: center;">\$ 250,000</td> <td></td> </tr> </table>	<i>over</i>		\$ 250,000		Not eligible for the property tax deduction. Enter a property tax credit of \$50 on Line 48, Form NJ-1040 (\$25 if you and your spouse/civil union partner file separate returns but occupy the same principal residence). Make no entry on Line 36c and continue with Line 37. Part-year residents , see instructions.			
<i>over</i>								
\$ 250,000								

Chart B – Determining the Property Tax Deduction for Tenants

If your filing status is married/CU partner, filing separate return, and you and your spouse/civil union partner occupied the same principal residence during the year, you must use your *combined income* to determine your property tax deduction.

Part-year residents must use income from all sources *for the entire year* regardless of where earned.

If you were age 65 or older or blind or disabled on December 31, 2009	And your NJ gross income (Line 28) is <i>over</i> \$ 0	<i>but not over</i> \$20,000 (\$10,000 if single or married/CU partner, filing separate return)	Do not complete Schedule 1. See instructions.
	<i>over</i> \$ 20,000 (\$10,000 if single or married/CU partner, filing separate return)		Enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$10,000. Spouses/CU Partners who file separate returns but occupy the same principal residence enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$5,000.
If you were under age 65 and not blind or disabled on December 31, 2009	And your NJ gross income (Line 28) is <i>over</i> \$ 0	<i>but not over</i> \$20,000 (\$10,000 if single or married/CU partner, filing separate return)	Not eligible. Do not complete Schedule 1. Make no entry on Line 36c or Line 48 and continue with Line 37.
	<i>over</i> \$ 20,000 (\$10,000 if single or married/CU partner, filing separate return)		Enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$10,000. Spouses/CU Partners who file separate returns but occupy the same principal residence enter on Line 2, Schedule 1 <i>the lesser of</i> Line 1, Schedule 1 or \$5,000.