

FILING INFORMATION

- ◆ Your filing status and gross income determine whether you have to file a tax return. **NOTE:** The income levels which determine whether or not you are required to file a return have been raised for the 2000 tax year. See chart below.
- ◆ Age is not a factor in determining whether a person must file. Even minors (including students) and senior citizens must file if they meet the income filing requirements.
- ◆ *Gross income* means reportable income after exclusions but before personal exemptions are subtracted. It does not include nonreportable (exempt) benefits. See page 18 to find out which types of income are not reportable.
- ◆ Members of the Armed Forces see page 4 for additional information.

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

Who Must File

You must file a New Jersey income tax return if—

Your residency status is:

your filing status is:

and your gross income was more than:

Nonresident — File Form NJ-1040NR (Nonresident Return) as a nonresident if:

New Jersey was not your domicile, and you spent 183 days or less here;

or

New Jersey was not your domicile, you spent more than 183 days here, but you did not maintain a *permanent** home here.

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

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

Single	\$10,000 (from all sources)
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Married, filing joint return Head of Household Qualifying Widow(er)	\$15,000 (from all sources)
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Married, filing separate return	\$7,500 (from all sources)
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Part-Year Resident — File Form NJ-1040 (Resident Return) as a part-year resident if:

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

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

Single	\$10,000 from all sources (for the entire year)
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Married, filing joint return Head of Household Qualifying Widow(er)	\$15,000 from all sources (for the entire year)
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Married, filing separate return	\$7,500 from all sources (for the entire year)
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Full Year Resident — File Form NJ-1040 (Resident Return) as a full year resident if:

◆ New Jersey was your domicile (permanent legal residence) for the entire year;

or

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

Single	\$10,000 (from all sources)
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Married, filing joint return Head of Household Qualifying Widow(er)	\$15,000 (from all sources)
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Married, filing separate return	\$7,500 (from all sources)
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* A home (whether inside or outside of New Jersey) is not permanent if it is maintained only during a temporary or limited period for the accomplishment of a particular purpose. Likewise, a home used only for vacations is not a permanent home.

Attention Pennsylvania Residents:

As a result of the Reciprocal Personal Income Tax Agreement between the Commonwealth of Pennsylvania and the State of New Jersey, **compensation** paid to Pennsylvania residents employed in New Jersey is not subject to New Jersey income tax. For more information, see page 2.

Other Filing Information

Married Persons and Filing Status. If both you and your spouse were nonresidents of New Jersey during the entire taxable year, and only one of you earned, received or acquired income from New Jersey sources, the spouse who had income from New Jersey sources may file a separate New Jersey return even though you filed a joint Federal return. The spouse with income from New Jersey sources computes income and exemptions as if a Federal married, filing separate return had been filed. You have the option of filing a joint return, but remember, joint income would be reported in Column A of Form NJ-1040NR.

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

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

A place of abode, whether inside or outside of New Jersey is not permanent if it is maintained only during a temporary stay for the accomplishment of a particular purpose (e.g., temporary job assignment). If New Jersey is your domicile, you will be considered a resident for New Jersey tax purposes *unless* you meet all three conditions for nonresident status

TAXPAYERS' BILL OF RIGHTS

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

Service—

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

Appeals—

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

Interest on Refunds—

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

For more information on the rights and obligations of both taxpayers and the Division of Taxation under the Taxpayers' Bill of Rights, call the Division's automated information and assistance service. (See back cover.)

(see "Who Must File" on page 1). Likewise, if New Jersey is not your domicile, you will only be considered a New Jersey resident if you maintain a permanent home and spend more than 183 days here.

Pennsylvania Residents

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

If New Jersey income tax was withheld from your wages, you must file a New Jersey nonresident return to obtain a refund. To stop the withholding of New Jersey income tax, complete a New Jersey Certificate of Nonresidence (Form NJ-165) and give it to your employer. You may obtain Form NJ-165 by contacting the Division's Customer Service Center.

The Reciprocal Agreement covers compensation only. If you are self-employed or receive other income (for example, gain from sale of property) which is taxable in both states, you must file a New Jersey nonresident return and report the income received.

Column A. Complete Column A, Lines 34 through 46, showing income from everywhere.

Column B. When Pennsylvania residents complete Column B, employee compensation from New Jersey sources should not be included on Line 34. For Pennsylvania residents Line 34, Column B, is zero, so enter "0."

Withholdings. If New Jersey income tax was withheld, enter the amount from your W-2(s) on Line 24.

Signed Statement. Pennsylvania residents employed in New Jersey who had New Jersey income tax erroneously withheld must attach a signed statement declaring the following, "Under penalties of perjury, I affirm that I am a resident of the Commonwealth of Pennsylvania and that, pursuant to an agreement existing between the Commonwealth and the State of New Jersey, I claim exemption

AVOIDING COMMON MISTAKES

Check the following items to avoid delays in processing returns and refunds.

- ✓ **Name, Address and Social Security Number** should be checked for accuracy whether you use the peel-off label or write the information on the form. Be sure your social security number appears on all documents submitted with your return. Also indicate your state of residency in the space provided.
- ✓ **Use correct form** for your tax situation. See the "Who Must File" chart on page 1.
- ✓ **Use only blue or black ink** when completing form.
- ✓ **Read Instructions** carefully before completing your return.
- ✓ **You may not report a loss on Form NJ-1040NR.**
- ✓ **Use the "State Wages" figure(s)** from your W-2(s), not the "Federal Wages" amount.
- ✓ **Complete** both Column A and Column B, Lines 34-46.
- ✓ **Locate the correct column** for your filing status in the Tax Table when calculating tax on Line 21.
- ✓ **Request a refund** by completing Line 33.
- ✓ **Attach all necessary forms**, schedules and other documents to your return. See page 16.
- ✓ **Check arithmetic.**
- ✓ **Sign and date** your return. Both spouses must sign a joint return.
- ✓ **Changes or mistakes** to your original return may be corrected by filing an amended return. See page 7.

from payment of New Jersey gross income tax on compensation paid to me in the State of New Jersey. I understand that under the agreement between Pennsylvania and New Jersey this information is available to the Commonwealth of Pennsylvania."

Guidelines for Part-year Nonresidents

Filing Requirements. Any person who became a resident of New Jersey or moved out of this State during the year, and whose income from all sources for the entire year is greater than \$10,000 (filing status single), \$15,000 (filing status married, filing joint return, head of household or qualifying widow(er)), or \$7,500 (filing status married, filing separate return) must file a **resident** return and report that portion of the income received while a resident of New Jersey. A person who receives income from a New Jersey source while a nonresident, and whose income from all sources for the entire year

exceeds \$10,000 (filing status single), \$15,000 (filing status married, filing joint return, head of household or qualifying widow(er)), or \$7,500 (filing status married, filing separate return) must file a New Jersey nonresident return, even though the income from New Jersey sources reported for the period of nonresidence was below these thresholds.

Part-year nonresidents must prorate all exemptions, deductions and credits, as well as the pension and other retirement income exclusions, to reflect the period covered by each return.

If your income for the entire year from all sources was \$10,000 or less (filing status single), \$15,000 or less (filing status married, filing joint return, head of household or qualifying widow(er)), or \$7,500 or less (filing status married, filing separate return), no tax is due. You must attach a copy of your Federal income tax return or a statement to that effect if you did not file a Federal return.

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

Line 34 - Wages

Column A. Enter your wages from sources both inside and outside New Jersey for your period of nonresidence.

Column B. Enter your wages from New Jersey sources for your period of nonresidence (unless you were a Pennsylvania resident).

Other Income

Column A. Enter your interest, dividends, pensions and all other income from sources both inside and outside New Jersey for your period of nonresidence. Partners and shareholders should request Tax Topic Bulletin GIT-9P, *Income from Partnerships*, or GIT-9S, *Income from S Corporations*, for instructions on reporting distributive share of partnership income and net pro rata share of S corporation income.

Column B. Enter only the income from New Jersey sources for your period of nonresidence. Part-year nonresident partners and, in general, S corporation shareholders, must prorate the entity's income based on the number of days in the entity's fiscal year that you were a nonresident divided by 365 (366 for leap years).

Line 41 - Pension, Annuities, IRA Withdrawals, Less Exclusion

Column A. If you qualify for the pension exclusion, prorate the exclusion by the number of months you were a New Jersey nonresident. For this calculation 15 days or more is a month.

Column B. No entry is necessary.

Line 14b - Other Retirement Income

Exclusion. Do not complete Worksheet A for the Other Retirement Income Exclusion (on page 10). Instead, you must take into account the amount of wages, net profits

Part-year Nonresidents - continued

from business, partnership income and S corporation income you received for the *entire* year and the amount of prorated earned income from the period of residence to determine whether or not you qualify for the exclusion. For more information, request Tax Topic Bulletin GIT-6, *Part-year Residents*.

Line 15 - Total Exemption Amount.

Your total exemptions (Line 15) must be prorated based upon the number of months you were a New Jersey nonresident. For this calculation 15 days or more is a month. See page 11.

$$\text{Total Exemptions} \times \frac{\text{Mos. NJ Nonresident}}{12} = \text{Line 15}$$

Lines 16, 17 and 18 - Deductions. You may deduct medical expenses, qualified medical savings account contributions, health insurance costs of the self-employed, alimony and separate maintenance payments, and qualified conservation contributions based on the actual amounts paid for the period of time you were a nonresident of New Jersey. Complete Worksheet B for medical expenses. See page 11.

Part IV - Allocation of Wage and Salary Income Earned Partly Inside and Outside New Jersey. If you must complete Part IV, use the total number of days for your *period of nonresidence*. For more information on part-year nonresidents, order Tax Topic Bulletin GIT-6, *Part-year Residents*.

Guidelines for Military Personnel

Residents. A member of the Armed Forces whose home of record (domicile) is New Jersey when entering the service remains a resident of New Jersey for income tax purposes, and must file a resident return even if assigned to duty in another state or country, unless he or she qualifies for nonresident status (see chart on page 1). If you are a New Jersey resident, you are subject to tax on all your income, including your military pay, regardless of where it is earned, unless the income is specifically exempt from tax

under New Jersey law. Mustering-out payments, subsistence and housing allowances are exempt.

Certain military pensions are not reportable for New Jersey gross income tax purposes. See *Pensions, Annuities, IRA Withdrawals, Less New Jersey Exclusion* on page 22.

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

Nonresidents. A member of the Armed Forces whose home of record (domicile) is outside of New Jersey does not become a New Jersey resident when assigned to duty in this State. A nonresident serviceperson's military pay is not subject to New Jersey income tax and he or she is not required to file a New Jersey return unless he or she has earned income from New Jersey sources other than military pay. Mustering-out payments, subsistence and housing allowances are also exempt. A nonresident serviceperson who has income from New Jersey sources such as a civilian job in off-duty hours, income or gain from property located in New Jersey or income from a business, trade or profession carried on in this State must file a New Jersey nonresident return, Form NJ-1040NR.

If your permanent home (domicile) was New Jersey when you entered the military, but you have changed your state of domicile or you satisfy the conditions for nonresident status (see chart on page 1), then your military pay is not subject to New Jersey income tax. Contact the fi-

nance officer at your station for Form DD-2058-1 to stop future withholding of New Jersey income tax. If New Jersey income tax was erroneously withheld from your military pay, you must file a nonresident return (Form NJ-1040NR) to obtain a refund of the tax withheld.

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

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

New Jersey law requires that a couple's filing status for New Jersey gross income tax purposes be the same as for Federal income tax purposes. A married couple filing a joint Federal return must file a joint return in New Jersey unless both spouses are nonresidents and only one had income from New Jersey. Another exception to this rule is where one spouse is a New Jersey resident and the other is a nonresident for the entire year. In this case, the resident may file a separate return unless both spouses agree to file jointly as residents. If a joint resident return is filed, their joint income will be taxed as if both spouses were residents.

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

New Jersey allows an extension of time to file an income tax return for members of the Armed Forces serving in an area which has been declared a "combat zone" by executive order of the President of the United States or a "qualified hazardous duty area" by Federal statute. Once you leave the combat zone or qualified hazardous duty area, you have 180 days to file

Military Personnel - continued

your tax return. Enclose a statement with your return to explain the reason for the extension.

In addition, if you are hospitalized outside of the State of New Jersey as a result of injuries you received while serving in a combat zone or qualified hazardous duty area, you have 180 days from the time you leave the hospital or you leave the combat zone or hazardous duty area, whichever is later. Enclose a statement of explanation with your return when you file. No interest or penalties will be assessed during a valid extension for service in a combat zone or qualified hazardous duty area. This extension is also granted to a taxpayer's spouse who files a joint return.

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

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

When to File

Generally, your New Jersey income tax return is due when your Federal income tax return is due. For calendar year filers, the 2000 New Jersey income tax return is due by April 16, 2001. Fiscal year filers must file their New Jersey income tax return by the 15th day of the fourth month following the close of the fiscal year.

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

Extensions

Extensions of time are granted only to file your New Jersey income tax return. There are no extensions of time to pay tax due.

Penalties and interest are imposed whenever tax is paid after the original due date.

Four-Month Extension

You may receive a four-month extension of time to file your New Jersey Nonresident Income Tax Return if at least 80% of the tax liability computed on your Form NJ-1040NR when filed is paid in the form of withholdings, estimated or other payments by the original due date, **and**

- 1. Federal extension filed.** A copy of your Federal Application for Automatic Extension is attached to your final return and the box at the top of the NJ-1040NR is checked; **or**
- 2. No Federal extension filed.** You file a request for a four-month extension on Form NJ-630, Application for Extension of Time to File New Jersey Gross Income Tax Return, by the original due date of the return.

Form NJ-630 must also be filed by the original due date if you are required to make a payment to satisfy the 80% requirement.

Extensions Beyond Four Months

If you have requested and been granted a four-month extension, you may apply for an additional two-month extension before the original four-month extension expires. You must file Form NJ-630 if you require an extension of more than four months for New Jersey purposes and you are not requesting an additional two-month extension for Federal purposes. Otherwise, attach a copy of your Federal application for an additional two-month extension to your NJ-1040NR when filed.

Taxpayers who file Form NJ-630 will not receive an approved copy. We will notify you only if your request is denied.

If you fail to satisfy the requirements outlined for extensions, or you fail to file your return by the extended due date, your extension will be denied and penalties and interest will be imposed from the original due date of the return. See "Penalty and Interest Charges" on page 7.

How to Pay

The balance of tax due must be paid in full when your return is filed. If you owe less than \$1, no payment is required.

At the front of this booklet you will find a payment voucher, Form NJ-1040NR-V. If you owe tax with your 2000 return, enter the amount of tax due in the boxes on the payment voucher. Do not make changes to any information preprinted on the payment voucher. Instead make any necessary changes on the NJ-1040NR. For information about mailing forms, see "Where to Send Your Return" on page 6.

- ◆ Make check or money order payable to: **State of New Jersey - TGI**
- ◆ Write your social security number on the check or money order. Use social security numbers of both husband and wife for a joint return.
- ◆ If you are paying a balance due for the 2000 tax year and are making the first installment of estimated tax for 2001, please use separate checks or money orders for each payment. Send your 2001 estimated tax payment with an NJ-1040-ES voucher to the address on that payment voucher.
- ◆ You may pay your 2000 New Jersey income taxes or make a payment of estimated tax for 2001 by credit card. Pay by phone (1-800-2PAYTAX, toll free) or directly over the Internet (www.officialpayments.com), and use an American Express, MasterCard or Discover/Novus credit card. Payments cannot be made with a Visa card. You will be asked to enter a jurisdiction code to make your payment. The code for New Jersey is 4000. Do not use the payment voucher if you pay your taxes

How to Pay - continued

by credit card. A fee, based on the amount of tax you are paying, will automatically be added to your transaction. A fee schedule can be found on the Internet at www.officialpayments.com.

Time Limit for Assessing Additional Taxes.

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

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

Where to Send Your Return

Your packet contains a large envelope. Use the large envelope to mail your NJ-1040NR along with related enclosures, payment voucher and check or money order for any tax due.

Mail Your Return to:

STATE OF NEW JERSEY
DIVISION OF TAXATION
REVENUE PROCESSING CENTER
PO BOX 244
TRENTON NJ 08646-0244

Refunds

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

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

Interest Paid on Refunds. If the Division takes more than six months to send you your income tax refund, you have a right to receive interest on that refund. Interest at the prime rate, compounded annually, will be paid from the *later* of:

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

No interest will be paid when an overpayment is credited to the next year's tax liability.

New Jersey law requires that any money owed to the State of New Jersey, any of its agencies or the Internal Revenue Service be deducted from your refund or credit before it is issued. These debts include, among other things, money owed for past due taxes, child support due under a court order, school loans and IRS levies. If the Division applies your refund or credit to any of these debts, you will be notified through the mail.

Deceased Taxpayers

If a person received income in 2000 but died before filing a return, the New Jersey income tax return should be filed by the surviving spouse, executor or administrator. Use the same filing status that was used on the final Federal income tax return. Print "Deceased" and the date of death above the decedent's name. **Do not** prorate deductions or exemptions unless the decedent was a part-year nonresident.

The due date for filing is the same as for Federal purposes. In the area where you sign the return write "Filing as Surviving Spouse," if appropriate. A personal representative filing the return must sign in his or her official capacity. Any refund check

will be issued to the decedent's surviving spouse or estate.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had he or she lived, and the income was not included on the decedent's final return, you must report the income on your own return when you receive it. The income or gain is included on Line 45, as "Other" income.

Estates and Trusts**Filing Requirements for Estates and Trusts.**

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

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

Filing Requirements for Beneficiaries.

You must report the items of income or gain you receive as a beneficiary of an estate or trust on Line 45, "Other" income. Interest, dividends, capital gains, business or partnership income, etc. as listed on the Federal K-1 form(s) you received must be adjusted to reflect New Jersey tax rules and then netted together before inclusion on the "Other" income line. Enclose a copy of the Federal K-1(s) with your return.

If the income from a grantor trust is reportable by or taxable to the grantor for Federal income tax purposes, it is also taxable to the grantor for New Jersey gross income tax purposes. See instructions for Line 45 for reporting requirements.

Partnerships

A partnership is not subject to tax. Individual partners are subject to tax on the income they earned from the partnership under the Federal Internal Revenue Code and the New Jersey Gross Income Tax Act. See page 25 for information on reporting income from a partnership. Every partnership having a New Jersey resident partner or income from New Jersey sources must file New Jersey Form NJ-1065 with the New Jersey Division of Taxation by the 15th day of the fourth month following the close of the partnership's taxable year. For more information on partnership filing, request Form NJ-1065 and instructions.

Estimated Tax

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

Tax Tip

You are required to make estimated tax payments using Form NJ-1040-ES when your estimated tax exceeds \$400. Instructions for computing the estimated tax and making the payments are included with the form. Review the amount of your New Jersey gross income tax on your expected gross income (after deductions and credits) to determine if you need to make estimated tax payments for 2001.

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

Underpayment of Estimated Tax. If you failed to make all of the required estimated tax payments as described above, you should request Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts, and instructions. Complete Form NJ-2210 to determine if interest is due and if so, calculate the amount. If you complete and

attach Form NJ-2210 to your return, check the box below Line 23.

Penalty and Interest Charges

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

Late Filing Penalty

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

Late Payment Penalty

5% of the outstanding tax balance may be imposed.

Interest

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

Rounding Off to Whole Dollars

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

Keeping Tax Records

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

Federal/State Tax Agreement

The New Jersey Division of Taxation and the Internal Revenue Service have entered into a Federal/State Agreement to exchange income tax information in order to verify the accuracy and consistency of information reported on Federal and New Jersey income tax returns.

Signatures

Sign and date your return in blue or black ink. Both husband and wife must sign a joint return. The signature(s) on the form you file must be original; photocopied signatures are not acceptable. A return without the proper signatures cannot be processed and will be returned to you. This causes unnecessary processing delays and may result in penalties for late filing.

Tax Preparers. Anyone who prepares a return for a fee must sign the return as a "Paid Preparer" and enter his or her social security number or Federal preparer tax identification number. Include the company or corporation name and Federal identification number, if applicable. A tax preparer who fails to sign the return or provide a tax identification number may incur a \$25 penalty for each omission.

Fraudulent Return

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

Amended Returns

If you received an additional tax statement (W-2 or 1099) after your return was filed, or you discovered that you made any error or omission on your return, file an amended tax return by completing a new NJ-1040NR and writing **AMENDED** across the top. Do not use Form NJ-1040X to amend a nonresident return.

*Amended Returns - continued***Changes in your Federal Income Tax.**

If you receive a notice from the Internal Revenue Service that they changed your reported income, and that change altered your New Jersey taxable income, you must notify the Division of the change in writing within 90 days. File an amended tax return and attach a check or money order for any additional tax due. If you file an amended Federal return which changes your New Jersey taxable income, you must file an amended New Jersey return within 90 days.

Privacy Act Notification

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

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

Accounting Method

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

Name and Address

Place the peel-off label from the front of this booklet in the name and address section at the top of the return. Correct the label where errors occur. If you have no label, print or type your name (last name first), complete address and zip code in the spaces provided. Also include your spouse's name if filing jointly. Your refund and next year's form will be sent to the address you provide.

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

Social Security Number

Be sure to check the accuracy of the social security number(s) printed on the label. To correct an error, draw a line through the incorrect number and write the correct number above it.

Enter your social security number(s) in the space provided on the return if you do not have a label. If your filing status is married, filing joint return, remember to report both spouses' numbers in the order in which the names are listed on the return.

State of Residency

Indicate the place outside New Jersey where you resided for the period covered by this return.

Filing Status (Lines 1 - 5)

Generally, you must use the same filing status on your New Jersey return as you do for Federal income tax purposes. Indicate the appropriate filing status. Check only **one** box.

Tax Tip

If both you and your spouse were nonresidents of New Jersey during the entire taxable year, and only one of you earned, received or acquired income from New Jersey sources, the spouse who had income from New Jersey sources may file a separate New Jersey return even though you filed a joint Federal return. The spouse with income from New Jersey sources computes income and exemptions as if a Federal married, filing separate return had been filed. You have the option of filing a joint return, but remember, joint income would be reported in Column A of Form NJ-1040NR.

If one spouse was a nonresident and the other a resident of New Jersey during the entire taxable year and both had income from New Jersey sources, separate New Jersey returns may be filed (the nonresident files a nonresident return and the resident files a resident return). Each spouse computes income and exemptions as if Federal married, filing separate re-

turns had been filed. You have the option of filing a joint resident return, but remember, joint income would be taxed as if both spouses were residents.

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

If your filing status is married, filing separate return, be sure to enter the name and social security number of your spouse in the space provided under Line 3.

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

Exemptions - Personal (Lines 6 - 8)

The exemptions claimed on Lines 6, 7 and 8 apply only to you and your spouse. The exemptions for age and disability are not available for dependents. If your filing status is married, filing separate return, you generally do not check the spouse box on Lines 6, 7 or 8.

Line 6 - Regular Exemptions

As a taxpayer you may claim a personal exemption for yourself, even if you are a minor who is claimed as a dependent on your parents' return. For your convenience, "Yourself" is already checked. If you are filing a joint return, check the spouse box as well. Add the number of boxes checked and enter the result on Line 6.

Line 7 - Age 65 or Older

If either you or your spouse were 65 years of age or older at the end of the tax year, you (and your spouse if qualified) are entitled to an additional exemption. Check the appropriate box(es). Add the number of boxes checked and enter the result on Line 7.

Line 8 - Blind or Disabled

If either you or your spouse were blind or disabled at the end of the tax year, you (and your spouse if qualified) are entitled to an additional exemption. "Disabled" means total and permanent inability to engage in any substantial gainful activity because of any physical or mental impairment, including blindness. Attach a copy of the doctor's certificate or other medical records to your return the first time you claim the exemption. This information need not be submitted each year providing there is no change in your condition. Check the appropriate box(es).

Add the number of boxes checked and enter the result on Line 8.

Exemptions - Dependency (Lines 9 - 11)

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

Line 9 - Dependent Children

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

Line 10 - Other Dependents

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

Line 11 - Dependents Attending Colleges

You may claim an additional exemption for each dependent under age 22 who is a full-time student at an accredited college

or postsecondary institution for whom you paid one-half or more of the tuition and maintenance costs. Financial aid received by the student is not calculated into your cost when totaling one-half of your dependent's tuition and maintenance. However, the money earned by students in College Work Study Programs is income and is taken into account. Remember, to claim this additional exemption, each dependent must have already been claimed on Lines 9 or 10.

Requirements

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

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

Line 12 - Totals

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

Residency Status (Line 13)

If you were a New Jersey resident for any part of the taxable year, list the month, day and year your residency began and the month, day and year it ended.

Gubernatorial Elections Fund

The Gubernatorial Elections Fund, financed by taxpayer designated \$1 contributions, provides partial public financing to qualified candidates for the office

of Governor of New Jersey. With its contribution and expenditure limits, the Gubernatorial Public Financing Program has since 1977 assisted 51 candidates to conduct their campaigns free from the improper influence of excessive campaign contributions. Operation of the program has also permitted candidates of limited financial means to run for election to the State's highest office. As a condition of their receipt of public financing, candidates must agree to participate in two debates which provide the public with an opportunity to hear the views of each candidate. For more information on the Gubernatorial Public Financing Program, contact the New Jersey Election Law Enforcement Commission at 609-292-8700 or write to:

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

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

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



You must complete Part I (Lines 34 through 46) on the back of the return before completing Line 14a. Go to page 16.

Worksheet A
Other Retirement Income Exclusion*
Age Requirement: 62 or older

Part I

- 1. Enter amount from Line 34, Col. A, NJ-1040NR 1. _____
- 2. Enter amount from Line 37, Col. A, NJ-1040NR 2. _____
- 3. Enter amount from Line 42, Col. A, NJ-1040NR 3. _____
- 4. Enter amount from Line 43, Col. A, NJ-1040NR 4. _____
- 5. Add lines 1, 2, 3 and 4 5. _____

* Part-year nonresidents, do **not** complete this worksheet. See instructions on page 3.

STOP -

- ♦ **If line 5 is MORE than \$3,000** – Do not complete Part II. Enter “0” on line 9 and continue with Part III.
- ♦ **If line 5 is \$3,000 or LESS** – Continue to Part II.

Part II

- 6. **Enter: if your filing status is:**
 \$12,500 Married, filing joint return
 \$ 9,375 Single; Head of Household; Qualifying Widow(er)
 \$ 6,250 Married, filing separate return 6. _____
- 7. Enter amount from Line 41, Column A, NJ-1040NR,
 plus any pension exclusion amount you used to get
 that figure 7. _____
- 8. Subtract line 7 from line 6. Enter the difference here
 and on line 9 (Part III). If zero or less, enter “0” 8. _____

Part III

- 9. Unclaimed Pension Exclusion (from line 8) 9. _____
- 10a. Are you (and/or your spouse, if filing jointly) now receiving,
 or will you (and/or your spouse, if filing jointly) ever be eligible
 to receive Social Security or Railroad Retirement Benefits?
 No — Continue with item 10b
 Yes — Enter “0” on line 10 and continue with line 11
- 10b. Would you (and your spouse, if filing jointly) be receiving or
 ever be eligible to receive Social Security or Railroad Retirement
 Benefits if you had participated in either program?
 No — Enter “0” on line 10 and continue with line 11
 Yes — Enter on line 10 the amount of exclusion for your
 filing status shown below and continue with line 11
Enter: if your filing status is:
 \$ 6,000 Married, filing joint return; Head of Household;
 Qualifying Widow(er)
 \$ 3,000 Single; Married, filing separate return 10. _____
- 11. **Your Other Retirement Income Exclusion**
 Add lines 9 and 10. Enter here and on Line 14b,
 Column A and Column B, Form NJ-1040NR 11. _____

Line 14a - Total Income

COLUMN A

Enter on Line 14a, Column A, the total amount of income from everywhere from Part I, Line 46, Column A.

COLUMN B

Enter on Line 14a, Column B, the total amount of income from New Jersey sources from Part I, Line 46, Column B.

Line 14b - Other Retirement Income Exclusion

If you and/or your spouse were 62 years of age or older at the end of the tax year and you did not use the maximum pension exclusion on Line 41, Column A, Part I (your pension, annuity or IRA withdrawal was less than the exclusion amount for your filing status or you did not receive a pension, annuity or IRA withdrawal), you may be entitled to exclude other income on Line 14b. Complete Worksheet A to determine if you qualify for any additional exclusion. Whether or not you use the maximum pension exclusion, if you are unable to receive Social Security or Railroad Retirement benefits, but would have been eligible for benefits had you fully participated in either program, you may be entitled to an additional exclusion. Complete Worksheet A, Part III to see if you qualify for this additional exclusion. If your filing status is married, filing joint return, both you and your spouse must meet the requirements to be eligible for the additional exclusion.

Tax Tip

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

Line 14c - Gross Income

COLUMN A

Subtract Line 14b, Column A, from Line 14a, Column A, and enter the result on Line 14c, Column A. If zero or less, enter “0.”

Line 14c - Gross Income - continued

New for 2000

If you were a nonresident for the entire year and the amount on Line 14c, Column A, is \$10,000 or less (filing status single), \$15,000 or less (filing status married, filing joint return, head of household or qualifying widow(er)), or \$7,500 or less (filing status married, filing separate return), you have no tax liability to New Jersey and no return must be filed. However, you must file a return in order to obtain a refund of taxes withheld or estimated payments made. Enter zero on Lines 20 and 21 and complete the return.

If you were a New Jersey resident for any part of the year, see "Guidelines for Part-year Nonresidents" on page 3.

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

COLUMN B

Subtract Line 14b, Column B, from Line 14a, Column B, and enter the result on Line 14c, Column B. If zero or less, enter "0."

Exemptions and Deductions (Lines 15 - 18)

New Jersey allows deductions only for exemptions, certain medical expenses, qualified Medical Savings Account contributions, health insurance costs of the self-employed, alimony and separate maintenance payments, and qualified conservation contributions. No deduction is allowed for adjustments taken on the Federal return such as employee business expenses, IRA contributions and Keogh Plan contributions. However, be sure to keep records of all contributions to IRAs and Keogh Plans. You will need this information when you make withdrawals in future years. Part-year nonresidents must follow the guidelines on page 3.

Worksheet B	
Deduction for Medical Expenses	
(Keep for your records)	
1. Total nonreimbursed medical expenses	1. _____
2. Enter Line 14c, Column A _____ x .02 =	2. _____
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here. If zero or less, enter zero	3. _____
4. Enter the amount of your qualified Medical Savings Account contributions from Line 7, Federal Form 8853	4. _____
5. Enter the amount of your self-employed health insurance deduction.....	5. _____
6. Total Deduction for Medical Expenses. Add lines 3, 4 and 5. Enter the result here and on Line 16, Form NJ-1040NR. If zero, enter zero here and make no entry on Line 16, Form NJ-1040NR	6. _____

Line 15 - Total Exemption Amount

Calculate your total exemption amount as follows:

From Line 12a _____ x \$1,000 = _____
 From Line 12b _____ x \$1,500 = _____
 Total Exemption Amount _____

Enter the number of exemptions from Line 12a, Form NJ-1040NR. Multiply the number by \$1,000 and enter the result.

Enter the number of exemptions from Line 12b, Form NJ-1040NR. Multiply the number by \$1,500 and enter the result.

Add the exemption amounts calculated above together and enter the total on Line 15, Form NJ-1040NR.

Line 16 - Medical Expenses

You may deduct certain medical expenses that you paid during the year for yourself, your spouse and your dependents. However, you cannot deduct expenses for which you were reimbursed. Only expenses in excess of 2% of your income may be deducted. You may also deduct qualified Medical Savings Account Contributions. Use Worksheet B to calculate your deduction for medical expenses/ Medical Savings Account contributions.

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

NOTE: Do not include on line 1, Worksheet B

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

Medical Savings Account Contributions. Enter on line 4, Worksheet B, the

Line 16 - Medical Expenses - continued

amount of your qualified Medical Savings Account contributions from Line 7, Federal Form 8853. New Jersey follows the Federal rules for this deduction. Your contribution may not exceed 75% of the amount of your annual health plan deductible (65% if you have a self-only plan). Attach Federal Form 8853 to your return. Excess contributions that you withdraw before the due date of your tax return are not taxable. However, you must report the earnings associated with the excess contributions you withdraw as wages on Line 34, Column A and Column B.

New for 2000

Self-Employed Health Insurance Deduction. If you are considered a self-employed individual for Federal income tax purposes,

or you received wages in 2000 from an S corporation in which you were a more-than-2% shareholder, you may deduct the amount you paid during the year for health insurance for yourself, your spouse and your dependents. The amount of the deduction may not exceed the amount of your earned income, as defined for Federal income tax purposes, derived from the business under which the insurance plan is established. You may not deduct any amounts paid for health insurance coverage for any month during the year in which you were eligible to participate in any subsidized health plan maintained by your or your spouse's employer.

Line 17 - Alimony and Separate Maintenance Payments

Enter on Line 17 the amount of alimony and separate maintenance paid which was required under a decree of divorce or separate maintenance. Do not include payments for child support.

Line 18 - Qualified Conservation Contributions

New for 2000 Enter on Line 18 the amount of any contribution you made for conservation purposes of a qualified real property interest in property located in New Jer-

sey. The amount of the deduction is the amount of the contribution allowed as a deduction in computing your taxable income for Federal income tax purposes. If you are required to file Federal Form 8283 with your Federal 1040, enclose a copy.

Line 19 - Total Exemptions and Deductions

Enter on Line 19 the total of Lines 15, 16, 17 and 18.

Line 20 - Taxable Income

Subtract Line 19 from Line 14c, Column A, and enter the result on Line 20. If Line 20 is zero or less, enter "0."

Line 21 - Tax on Amount on Line 20

Compute your tax by using one of the following methods.

Tax Table. If your taxable income from all sources on Line 20 is less than \$100,000, you may use the New Jersey Tax Table on page 30 or the New Jersey Tax Rate Schedules on page 39 to find your tax. When using the tax table, be sure to use the correct column. After you have found your tax, enter the amount on Line 21.

Tax Rate Schedules. You must use the New Jersey Tax Rate Schedules on page 39 if your taxable income from all sources on Line 20 is \$100,000 or more. Use the correct schedule for your filing status. After you have calculated your tax, enter the amount on Line 21.

Line 22 - Income Percentage

To figure your income percentage, divide the amount on Line 14c in Column B by the amount on Line 14c in Column A.

$$\frac{\text{Column B (Line 14c)}}{\text{Column A (Line 14c)}} = \text{—————} \%$$

Carry your result to four decimal places. For example, if the amounts used were \$20,000 (Line 14c, Column B) divided by \$30,000 (Line 14c, Column A), the result would be 66.67% or .6667. In certain situations, however, the income percentage can exceed 100%.

NOTE: The income percentage can exceed 100%. For example, a taxpayer realizes a \$50,000 gain from the sale of real property in New Jersey and sustains a \$10,000 loss from the sale of property in Florida. This nonresident (who has no other income) reports \$40,000 as his income from everywhere (Column A) and \$50,000 as income from New Jersey sources (Column B). The income percentage is 125% (or 1.25) calculated as follows: \$50,000 (Line 14c, Column B) divided by \$40,000 (Line 14c, Column A).

Line 23 - New Jersey Tax

Multiply the amount on Line 21 by the income percentage on Line 22, and enter the result on Line 23. This is your New Jersey tax.

Line 24 - Total New Jersey Income Tax Withheld

Enter on Line 24 the total New Jersey income tax withheld, as shown on your W-2, W-2G and/or 1099 statement(s). The W-2 must indicate the amount of New Jersey tax withheld and the "State" box must indicate that the tax withheld was New Jersey income tax. See sample W-2 on page 19. Attach the state copy of each withholding statement (W-2, W-2G, 1099). **Attach Form 1099 to the return only if New Jersey income tax was withheld.**

Do not include on Line 24 amounts withheld as New Jersey unemployment insurance/health care subsidy fund/workforce development partnership fund contributions (shown on the W-2 as UI/HC/WD, if combined, or UI, HC and WD, if stated separately) or New Jersey disability insurance (may be shown as DI). These are **not** New Jersey income tax withholdings and may not be used as credits on

Line 24 - Total New Jersey Income Tax Withheld - continued

Line 24. See instructions for Lines 26 and 27 for more information on unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and/or disability insurance contributions.

All W-2 statements must reflect your correct social security number for the withholdings to be credited. If the social security number is missing or incorrect, you must obtain a corrected W-2 from your employer. Only your employer/payer can issue or correct this form. If you have not received a W-2 form by February 15, 2001, or if the form you received is incorrect, contact your employer/payer immediately.

Line 25 - New Jersey Estimated Payments/Credit from 1999 Tax Return

Enter on Line 25 the total of:

- ♦ Estimated tax payments made for 2000
- ♦ Credit applied from your 1999 tax return
- ♦ Amount, if any, paid to qualify for an extension of time to file
- ♦ Payments made by an S corporation on behalf of a nonresident/nonconsenting shareholder

Payments Made Under Another Name or Social Security Number. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to your return explaining all the payments you and/or your spouse made for 2000 and the name(s) and social security number(s) under which you made payments.

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

UI/HC/WD;DI Credit (Lines 26 and 27)

You may take credit for excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and/or disability insurance contributions withheld by two or more employers. For 2000, the maximum employee unemployment insurance/health care subsidy fund/workforce development partnership fund contribution was \$90.10, and the maximum employee disability insurance contribution was \$106.00. If you had two or more employers and you contributed more than the maximum amount(s), you must attach a completed Form NJ-2450 to your return to claim the credit.

All information on Form NJ-2450 must be substantiated by W-2 statements or the claim will be denied. The amounts of unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and disability insurance withheld must be reported separately on all W-2 statements. The employer's New Jersey Taxpayer Identification Number or approved private plan number must also be shown. See sample W-2 on page 19.

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

Once your income tax credit for excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions and/or disability insurance contributions has been denied, it can **only** be claimed through the Department of Labor. Contact our Customer Service Center to request Form NJ-2450.

Line 26 - Excess New Jersey UI/HC/WD Withheld

Enter on Line 26 the excess unemployment insurance/health care subsidy fund/workforce development partnership fund contributions withheld from Line 4 of Form NJ-2450. Attach Form NJ-2450 to your return.

Line 27 - Excess New Jersey Disability Insurance Withheld

Enter on Line 27 the excess disability insurance withheld from Line 5 of Form NJ-2450. Attach Form NJ-2450 to your return.

Line 28 - Total Payments/Credits

Add Lines 24 through 27 and enter the total on Line 28.

Amount of Tax You Owe or Overpayment (Lines 29 and 30)

Compare Lines 23 and 28.

- ♦ If Line 23 is more than Line 28, you have a balance of tax due. Complete Line 29.
- ♦ If Line 23 is less than Line 28, you have overpaid your tax. Complete Line 30.

Line 29 - Amount of Tax You Owe

Subtract Line 28 (Total Payments/Credits) from Line 23 (New Jersey Tax) and enter the result on Line 29.

If you owe tax, you may make a donation on Lines 31B, 31C, 31D, 31E, 31F and/or 31G by adding the amount of your donation to your check amount.

Line 29 - Amount of Tax You Owe - continued

If you are attaching Form NJ-2210, the amount of the check should also include interest calculated for the underpayment of estimated tax. Make your check for the total amount payable to "State of New Jersey - TGI."

You may also pay your 2000 New Jersey income taxes by credit card. Pay by phone (1-800-2PAYTAX, toll free) or over the Internet (www.officialpayments.com), and use an American Express, MasterCard or Discover/Novus credit card. Payments cannot be made with a Visa card. You will be asked to enter a jurisdiction code to make your payment. The code for New Jersey is 4000. Do not use the payment voucher if you pay your taxes by credit card. A fee, based on the amount of tax you are paying, will automatically be added to your transaction. A fee schedule can be found on the Internet at www.officialpayments.com.

NOTE: If the amount of tax you owe (Line 29) is more than \$400, you may want to increase your estimated payments or contact your employer for Form NJ-W4 to increase your withholdings to avoid interest assessments.

Line 30 - Overpayment

Subtract Line 23 (New Jersey Tax) from Line 28 (Total Payments/Credits) and enter the result on Line 30.

Line 31A - Credit to Your 2001 Tax

Enter on Line 31A the amount of your overpayment that you wish to credit to your 2001 tax liability.

**Contributions
(Lines 31B - 31G)**

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

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

You may also contribute to the other funds designated at Line 31G.

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

If you are making a donation on Line 31B, 31C, 31D, 31E, 31F and/or 31G, and you have a balance due, increase the amount of your check or money order (made out to "State of New Jersey - TGI") by the amount you wish to contribute. Your donation will be deposited in the appropriate fund(s) when your return is processed.

**Contributions
(Lines 31B, 31C, 31D, 31E
and 31F)**

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

Line 31B - New Jersey — Endangered Wildlife Fund

YOU CAN HELP KEEP NEW JERSEY'S WILDLIFE IN OUR FUTURE! As the most densely populated state in the nation, NJ has lost nearly 40% of its wildlife habitat in some areas. Each day brings many species closer to extinction. You can help reverse this trend. Your contribution goes directly to help the Endangered and Nongame Species Program restore and protect the future of our State's endangered and threatened wildlife. We receive no dedicated State funding and rely solely on your contributions.

This year, **Check Off for Wildlife!** To receive our free quarterly newsletter, please write to *Conserve Wildlife News*, ENSP, PO Box 400, Trenton, NJ 08625-0400. Phone: 609-984-6012 Web: <http://www.state.nj.us/dep/fgw/ensphome.htm>

**Line 31C - New Jersey — Children's Trust Fund... to prevent child abuse**

Help protect New Jersey's children! Every year thousands of children in New Jersey are neglected and abused. The Children's Trust Fund is working in all 21 counties to help prevent these terrible tragedies by supporting:

- home visiting programs for parents of newborns
- respite care for children with special needs
- parent education and support groups.

We rely on your support. Every dollar you contribute goes to communities throughout New Jersey to prevent child abuse and neglect. **Help children in New Jersey have a safe and healthy childhood - Support the Children's Trust Fund.**

Want more information? Contact: Children's Trust Fund, PO Box 711, Trenton, NJ 08625-0711
Phone: 609-633-3992 Web: <http://www.state.nj.us/humanservices/njcap.html>



Contributions - continued

Line 31D - New Jersey — Vietnam Veterans' Memorial Fund

"To Honor, To Heal, To Remember"

Your support honors 1,556 New Jerseyans whose names are engraved on the Memorial and helps us teach future generations about this unique time in our nation's history at the Vietnam Era Educational Center.

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

**Line 31E - New Jersey — Breast Cancer Research Fund****HELP SAVE LIVES**

New Jersey has one of the highest breast cancer rates in the country. Your contribution supports research relating to the prevention, screening, treatment and cure of breast cancer right here in New Jersey. Check Line 31E and join the fight to make breast cancer a thing of the past. For further information, please write to:

The New Jersey Commission on Cancer Research, PO Box 360, 28 West State Street, Rm 715, Trenton, NJ 08625-0360, Phone: 609-633-6552. Web: <http://www.state.nj.us/health>



**New Jersey
Breast Cancer
Research Fund**

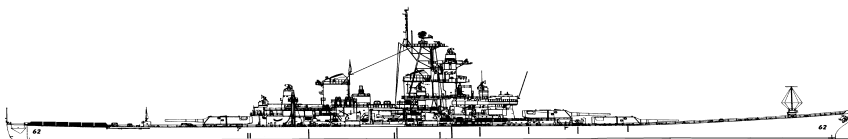
Line 31F - New Jersey — U.S.S. New Jersey Educational Museum Fund

New Jersey's namesake Battleship would appreciate your continued support. Your contribution will be used to develop a world-class Educational Museum as a tribute to Veterans of all of the Armed Forces.

For more information contact:

Battleship New Jersey Foundation, Inc.
1715 Hwy 35, Middletown, NJ 07748

Phone: 732-671-6488 Web: <http://www.battleshipnj.org> E-mail: bb62fdn@aol.com

**Line 31G - New Jersey — Designated Contribution****01 - Drug Abuse Education Fund - THE EPIDEMIC OF DRUG ABUSE NEEDS**

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

For more information contact **D.A.R.E. New Jersey** at 44 Washington Ave., Milltown, NJ 08850 or call 1-800-DARENJ1. Web address: <http://www.darenj.org>.

**Line 31G - New Jersey — Designated Contribution****02 - Korean Veterans' Memorial Fund**

We need your help to complete the New Jersey Korean War Memorial which is being built in Atlantic City to honor all of the New Jerseyans who served and especially the 822 who died during the *Forgotten War*. Please do not forget these men and women.

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



Contributions (Line 31G)

You may make a donation to either the Korean Veterans' Memorial Fund or the Drug Abuse Education Fund on Line 31G. Indicate the amount you want to contribute by checking the appropriate box or enter any amount you wish to contribute. Also enter the code number for either the Drug Abuse Education Fund (01) or the code number for the Korean Veterans' Memorial Fund (02) in the boxes after the words "Designated Contribution" at Line 31G. For your convenience, "0" is already entered.

Line 32 - Total Deductions from Overpayment

Add any amounts on Lines 31A, 31B, 31C, 31D, 31E, 31F and 31G. Enter the result on Line 32.

Line 33 - Refund

Subtract Line 32 from Line 30 (Overpayment). Enter the result on Line 33. This is the amount of your refund.

Remember—

- ♦ Sign and date your return.
- ♦ If you owe tax, complete the Payment Voucher and mail it with your check or money order in the large envelope with your return.

Part I - Total Income (Lines 34 - 46)

Enter on Lines 34 through 46 the amount of gross income received while a nonresident of New Jersey during the taxable year for each of the various categories of income.

In Column A, report your gross income from all sources (both inside and outside New Jersey). These figures cannot be copied from the figures reported on the Federal return. *Reportable income* means income that would be taxable if you were a New Jersey resident. Married couples filing a joint return must report the in-

Assembling Your Return	
Be sure to check the following before mailing your completed return:	
• Check arithmetic.	
• Sign and date your return. Both spouses must sign a joint return.	
• Attach all supporting documents and schedules with the return including:	
— W-2(s) and 1099-R(s) that indicate NJ withholdings	
— If appropriate, New Jersey Form(s): NJ-630, NJ-2440, NJ-2450, NJ-NR-A, Schedule NJK-1 (or copy of Federal Schedule K-1, Form 1065), Schedule NJ-K-1 (or copy of Federal Schedule K-1, Form 1120S)	
— If appropriate, statement of residency (Pennsylvania residents)	
— If appropriate, copy of Federal Form(s):	
Schedule B or Schedule 1 for interest over \$400	
Schedule C, C-EZ or F for business income	
Schedule K-1 for fiduciary income	
Form 2106 for employee business expenses	
Form 3903 for moving expenses	
Form 4868 for filing under a Federal extension	
Form 8283 for Qualified Conservation Contributions	
Form 8853 for Medical Savings Account contributions	
• Balance due. Complete the Payment Voucher, Form NJ-1040NR-V, and return it with your payment. Write your social security number on your check or money order.	
• Use the large envelope to mail Form NJ-1040NR with related attachments, payment voucher, and tax due.	
• Changes or mistakes to your original return may be corrected by filing an amended return. See page 7.	
• Keep a copy of your return and all supporting documents or schedules.	

come of both spouses in Column A, even if only one had income from New Jersey.

In Column B, enter the income that comes from New Jersey sources. For every entry in Column A, there should be an entry on the corresponding line in Column B. If none of your income is from New Jersey sources, enter "0" in Column B. Your final tax liability is based on the percentage of your income from New Jersey sources.

Income of a Nonresident Subject to Tax. Some examples of income taxable to a nonresident include:

1. Wages, salaries, tips, fees, commissions, bonuses and other payments received, whether in cash or in property, for services performed in New Jersey;

2. Profits and other income from a business, trade, profession or partnership conducted in New Jersey;
3. Rents or royalties from real and tangible personal property located in New Jersey or from other business activities in New Jersey;
4. Gains from the sale of your principal residence or other real estate located in New Jersey;
5. Winnings from a casino or racetrack located in New Jersey;
6. Prizes won in a lottery, drawing or other contest in New Jersey (other than the New Jersey Lottery);
7. Income of a New Jersey S corporation allocated to New Jersey.

Part I - continued

Gross Income includes the following:

- ♦ Wages and other compensation
- ♦ Interest and dividends
- ♦ Earnings on nonqualified withdrawals from qualified State tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ♦ Net profits from business, trade or profession
- ♦ Net gains from sale of property and other capital gains
- ♦ Pensions, annuities and IRA withdrawals
- ♦ Net distributive share of partnership income
- ♦ Net pro rata share of S corporation income
- ♦ Net rental, royalty and copyright income
- ♦ Net gambling winnings
- ♦ Alimony
- ♦ Estate and trust income
- ♦ Income in respect of a decedent
- ♦ Prizes and awards, including scholarships and fellowships (unless they satisfy the conditions discussed on page 26)
- ♦ Value of residence provided by employer
- ♦ Fees for services rendered, including jury duty

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

- ♦ Interest from obligations of states and their political subdivisions, other than New Jersey and its political subdivisions
- ♦ Income earned 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

Income or losses which a nonresident taxpayer receives from a business entity (i.e., sole proprietorship, partnership, LLP, or LLC) located in New Jersey will not be deemed to be derived from New Jersey sources if the business entity's only activity is the purchase, holding or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers.

Gross income means all income you received in the form of money, goods, property and services unless specifically exempt by law.

Tax Tip **Important! A net loss in any category of income cannot be reported as such on Form NJ-1040NR. A loss within one category of income may be applied against other income within the same**

category. However, a net loss in one category of income cannot be applied against income or gains in another. In case of a net loss in any category, enter "0" for that category. No carryback or carryover of losses is permitted under New Jersey law.

Line 34 - Wages, Salaries, Tips, etc.

COLUMN A

Enter the total amount you received during the taxable year from wages, salaries, tips, fees, commissions, bonuses and other payments received for services performed as an employee. Include all payments you received whether in cash or property.

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

the figure(s) from the "State wages" box on your W-2(s). See sample W-2 on page 19. All W-2(s) must be attached to your tax return.

Pension and annuity income or early retirement benefits should not be included on this line but should be reported on Line 41.

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

Meals and/or Lodging. You may exclude from the amount reported on Line 34 meals and/or lodging reported as wages on your W-2 provided that:

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

For lodging only:

If you exclude the value of meals and/or lodging from your wages, you **must** attach a signed statement explaining how you have met these conditions. If the statement is not attached, your wages will be adjusted to represent the full amount shown on your W-2.

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

Employee Business Expenses. Employee business expenses are **not** deductible for New Jersey gross income tax purposes. However, you may exclude from the amount reported on Line 34 reimbursements for employee business expenses

continued

Line 34 - Wages, Salaries, Tips, etc. - continued

Exempt Income

The following income is not taxable to residents or nonresidents. These items should **not** appear anywhere on your nonresident return (Column A or Column B).

- ◆ Federal Social Security
- ◆ Railroad Retirement (Tier 1 and Tier 2)
- ◆ United States military pensions and survivor's benefit payments to taxpayers 62 years of age or older or disabled under the Federal Social Security Act
- ◆ Life insurance proceeds received because of a person's death
- ◆ Employee's death benefits
- ◆ Permanent and total disability, including VA benefits
- ◆ Temporary disability received from the State of New Jersey or as third party sick pay
- ◆ Worker's Compensation
- ◆ Gifts and inheritances
- ◆ Qualifying scholarships or fellowship grants
- ◆ New Jersey Lottery winnings
- ◆ Unemployment Compensation
- ◆ Interest and capital gains from: (a) Obligations of the State of New Jersey or any of its political subdivisions; **or** (b) Direct Federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes and Bonds
- ◆ Earnings on qualified withdrawals from qualified State tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- ◆ 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"
- ◆ Employer and employee contributions to 401(k) Salary Reduction Plans (but **not** Federal Thrift Savings Funds)
- ◆ Some benefits received from certain employer-provided cafeteria plans (but not salary reduction or premium conversion plans). Request Division Technical Bulletin TB-39
- ◆ Contributions to and distributions from medical savings accounts if they are excluded for Federal income tax purposes
- ◆ Direct payments and benefits received under homeless persons assistance programs
- ◆ Income tax refunds (New Jersey, Federal and other jurisdictions)
- ◆ Welfare
- ◆ Child Support
- ◆ Amounts paid as reparations or restitution to Nazi Holocaust victims

reported as wages on your W-2 provided that:

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

If you receive excludable reimbursements for employee business expenses which are

included in your wages on your W-2, attach a statement explaining the amount you are excluding and your reasons for excluding this amount. Also attach a photocopy of your Federal Form 2106.

Commuter Transportation Benefits.

Certain amounts you receive from your employer up to \$1,145 for using alternative means of commuting (such as public transportation, carpools, vanpools, etc.) may be excluded from your New Jersey gross income. Commuter transportation benefits may not be excluded from gross

income unless your employer provides those benefits *in addition* to your regular compensation.

If the commuter transportation benefits you receive exceed the maximum excludable amount, the excess amount is taxable and is included in your gross income.

Your W-2 form will show both the taxable and nontaxable benefit amounts. The taxable benefits are included in the "State wages" figure on your W-2, while the nontaxable benefits are not.

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

Federal Statutory Employees. If you are considered a "statutory employee" for Federal income tax purposes, you may not deduct your business expenses unless you are self-employed or an independent contractor under New Jersey law. The Federal label of "statutory employee" has no meaning for New Jersey gross income tax purposes. Business expenses may only be deducted from the business income of a self-employed individual. See the instructions for Line 37 (Net Profits from Business).

Moving Expenses. Moving expenses are **not** deductible for New Jersey gross income tax purposes. However, you may exclude from the amount reported on Line 34 reimbursements for the following moving expenses if the Federal requirements to claim moving expenses were met and the expenses were included in wages on your W-2.

1. The cost of moving your household goods and personal effects from the old home to the new home.

Line 34 - Wages, Salaries, Tips, etc. - continued

2. The actual expenses incurred by you for traveling, meals and lodging when moving you and your family from your old residence to your new residence.

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

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

Compensation for Injuries or Sickness.

Certain amounts received for personal injuries or sickness are not subject to tax. You may exclude from the amount reported on Line 34 such amounts included as wages on your W-2 provided that:

1. The payments must be compensation for wage loss which results from

absence due to injury or sickness of the employee; and

2. The payments must be due and payable under an enforceable contractual obligation under the plan; and

3. The payments must not relate to sick leave wage continuation, the taking of which is largely discretionary and the payments are made regardless of the reason for absence from work.

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

COLUMN B

Enter the portion of your wages, salaries, etc. that comes from New Jersey sources. If zero, enter "0."

Pennsylvania residents, see page 2.

If you had wage/salary income earned partly within and partly outside of New Jersey, and you cannot easily determine the amount of income from New Jersey, see Part IV on page 28.

Do not use Part IV if your wage/salary income is based on volume (the amount of sales or amount of business transacted). Instead, enter on Line 34, the portion of your wage/salary income calculated using the following formula:

$$\frac{\text{NJ Vol.}}{\text{Total Vol.}} \times \text{Vol. Income - Line 34, Col. B}$$

In determining where the business was transacted, the location where the services or sales were actually performed is the deciding factor. An explanation of how you computed the amount of wage/salary income must be attached to your return.

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

a Control number		22222	Void <input type="checkbox"/>	For Official Use Only <		
b Employer identification number		1 Wages, tips, other compensation			Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages			Social security tax withheld	
d Employee's social security number		7 Social security tips			Medicare tax withheld	
e Employee's name (first, middle initial, last)		9 Advance payment			Allocated tips	
f Employee's address and ZIP code		11 Nonqualified plans			Dependent care benefits	
		13 See instructions for box 13			Benefits included in box 1	
		15 Statutory employee <input type="checkbox"/>			Other	
		Deceased <input type="checkbox"/>			UI/HC/WD 90.10	
		Pension plan <input type="checkbox"/>			DI 106.00	
		Legal rep. <input type="checkbox"/>			DI P.P. #(Private Plan No.)	
		Deferred compensation <input type="checkbox"/>				
16 State NJ	Employer's state I.D. no. 234-567-890/000	17 State wages, tips, etc. 32,250.00	18 State income tax 525.00	19 Locality name	20 Local wages, tips, etc.	21 Local income tax
Form W-2 Wage and Tax Statement 2000				Department of the Treasury—Internal Revenue Service For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.		

Line 35 - Interest Income

COLUMN A

Enter all of your reportable interest from sources both inside and outside of New Jersey on Line 35, Column A. New Jersey reportable interest income includes interest from the following:

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

Interest received by your sole proprietorship is reportable as net profits from business on Line 37.

Your portion of interest earned and received by a partnership, an estate or trust or, in general, an S corporation is reportable as distributive share of partnership income on Line 42, net income from estates or trusts on Line 45, or net pro rata share of S corporation income on Line 43.

For detailed information regarding the reporting of partnership or S corporation income, request Tax Topic Bulletin GIT-9P, *Income from Partnerships*, or GIT-9S, *Income from S Corporations*. For information regarding grantor trusts see the reporting instructions for Line 45 on page 26. Interest paid or deemed to have been paid to you by a partnership or an S corporation and reportable to you on Form 1099 must be included on Line 35 in Column A.

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

If your reportable interest income on Line 35, Column A, is more than \$400, attach a copy of Schedule B, Federal Form 1040, or Schedule 1, Federal Form 1040A.

Do not report tax-exempt interest on Line 35. New Jersey tax-exempt interest income includes:

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

New Jersey Qualified Investment Funds. A New Jersey Qualified Investment Fund is a regulated investment company in which at least 80% of the fund's invest

ments (other than cash or receivables) are obligations issued either directly by the Federal government or the State of New Jersey or any of its political subdivisions. The Fund must certify such status to the Division of Taxation annually.

If you received a distribution from a qualified investment fund, you may exclude from your income the portion of the distribution which comes from the qualified exempt obligations. The taxable portion of the distribution, if any, is reported as dividends on Line 36. By February 15, shareholders should be notified by the New Jersey qualified investment fund of the portion of their distribution that may be excluded from income. Contact your broker to determine whether your fund qualifies.

Do not report interest earned on your IRA(s) on Line 35, Interest Income. If you made a withdrawal from your IRA during the year, see the instructions for Line 41.

For more information on tax-exempt interest income, order Tax Topic Bulletin GIT-5, *Exempt Obligations*.

COLUMN B

Only interest received as a result of a business or profession carried on in New Jersey and not properly reportable as net profits from business, distributive share of partnership income, net income from estates or trusts or net pro rata share of S corporation income should be reported on Line 35, Column B. See instructions for Line 35, Column A. **Do not report interest from personal accounts.**

Line 36 - Dividends

COLUMN A

Enter on Line 36, Column A, the amount of dividends received during the year from investments (e.g., from stocks, mutual funds) or other income-producing activities which do not constitute a trade or business. The total amount of dividends received, **regardless of where earned**, must be reported.

Line 36 - Dividends - continued

Dividends received by your sole proprietorship are reportable as net profits from business on Line 37. Your portion of dividends earned and received by a partnership, an estate or trust or, in general, an S corporation are reportable as distributive share of partnership income on Line 42, net income from estates or trusts on Line 45, or net pro rata share of S corporation income on Line 43. For detailed information regarding the reporting of partnership income or S corporation income and distributions, request Tax Topic Bulletin GIT-9P, *Income from Partnerships*, or GIT-9S, *Income from S Corporations*. For information regarding grantor trusts see the reporting instructions for Line 45 on page 26.

Capital Gain Distributions. Capital gain distributions you receive from mutual funds or other regulated investment companies are reported on Line 48, Part II and are not to be included as dividends.

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

Insurance Premiums. Dividends received from insurance companies are not taxable unless the dividends received exceed the premiums paid. Any interest from accumulated insurance dividends must be reported on Line 36, Column A.

COLUMN B

Only dividends received as a result of a business or profession carried on in New Jersey and not properly reportable as net profits from business, distributive share of partnership income, net income from estates or trusts, or net pro rata share of S corporation income should be reported on Line 36, Column B. See instructions for Line 36, Column A. **Do not report dividends from personally-held securities.**

Line 37 - Net Profits from Business**COLUMN A**

Report the net profits from your business, trade or profession, whether carried on inside or outside New Jersey, on Line 37, Column A. To determine your New Jersey profit (or loss), first complete a Federal Schedule C (or Schedule C-EZ or Schedule F). To comply with New Jersey income tax law, make the following adjustments to your Federal Schedule C (or Schedule C-EZ or Schedule F):

1. Add any amount you deducted for taxes based on income.
2. Subtract interest you reported on Federal Schedule C (or Schedule C-EZ or Schedule F) which is exempt for New Jersey purposes but taxable for Federal purposes.
3. Add interest not reported on Federal Schedule C (or Schedule C-EZ or Schedule F) from states or political subdivisions outside of New Jersey which is exempt for Federal purposes.
4. Deduct the remaining 50% of meal and entertainment expenses (that were disallowed on the Federal return).
5. Add interest and dividends that were derived in the conduct of a trade or business.
6. Add or subtract income or losses derived in the conduct of a trade or business from rentals, royalties, patents or copyrights.
7. Add or subtract gains or losses from the sale, exchange or other disposition of the trade or business's property.

If you are a New Jersey small to medium business child care consortium member, you may be eligible for a special deduction for certain child care center expenditures (or for certain qualifying sponsor contributions).

Use the same accounting method (cash or accrual) that you used for Federal income

tax purposes. In the case of a loss, enter "0" on Line 37. Attach a copy of the Federal Schedule C (or Schedule C-EZ or Schedule F) to your return.

COLUMN B

Enter the portion of your business income that comes from New Jersey sources. If zero, enter "0." If you carry on business both inside and outside New Jersey, you must complete and attach Form NJ-NR-A for each business. Contact our Customer Service Center for Form NJ-NR-A and instructions.

Do not include in Column B net profits (or losses) which you received from a business entity located in New Jersey if the business entity's only activity is the purchase, holding or sale of intangible personal property, such as securities or commodities, and such intangible personal property is not held for sale to customers. You must, however, include such net profits in Column A.

Line 38 - Net Gains or Income from Disposition of Property**COLUMN A**

Enter on Line 38, Column A, the amount of net gains from Part II, Line 50. See page 28.

COLUMN B

Enter the net gains or income from New Jersey sources. If zero, enter "0."

Line 39 - Net Gains or Income from Rents, Royalties, Patents and Copyrights**COLUMN A**

Enter on Line 39, Column A the amount of net gains or income from Part III, Line 53. See page 28.

COLUMN B

Enter your net gains or income from New Jersey sources. If zero, enter "0."

Line 40 - Net Gambling Winnings

COLUMN A

Enter on Line 40, Column A, the amount of your net gambling winnings from both inside and outside New Jersey. You may deduct your gambling losses from your winnings that occurred during the same year. **You may not use New Jersey Lottery losses to offset other gambling winnings.** If your net gambling winnings are less than zero, enter "0."

You must be able to substantiate gambling losses used to offset winnings reported on your New Jersey Nonresident Income Tax Return. Evidence of losses may take several forms, including a daily log or journal of wins and losses, canceled checks, losing pari-mutuel tickets, etc. With respect to winnings or losses resulting from casino gambling, letters from casinos which purport to "rate" the gambling activity of an individual or "estimate" losses are acceptable as **part** of the evidential material required to prove losses.

Winnings or losses from other state lotteries may be reported on this line. **Remember, do not include any winnings or losses from the New Jersey State Lottery.**

Although no specific rider to the New Jersey income tax return is required to substantiate gambling losses, it is suggested that if you enter gambling winnings net of losses on Line 40 of the return, you should note the total winnings and total losses on a supporting schedule. This procedure may eliminate certain questions in the event the return is selected for audit. Although not taxable, New Jersey Lottery winnings and losses should be listed on the supporting schedule.

COLUMN B

Enter your net gambling winnings from New Jersey sources. Gambling losses incurred from sources outside New Jersey may not be used to offset gambling winnings from New Jersey sources. If zero, enter "0."

Pensions, Annuities, IRA Withdrawals, Less New Jersey Exclusion (Line 41)

COLUMN A

Enter on Line 41, Column A, your reportable pensions, annuities and certain IRA withdrawals, less your New Jersey pension exclusion. See page 25 for information on Roth IRAs and the pension exclusion. Pensions, annuities and IRA withdrawals are reportable on the New Jersey return although the reportable amount may differ from the Federal amount. All state and local government, teachers', Federal and certain military pensions, and Keogh Plans are treated in the same manner as pensions from the private sector. Amounts received as "early retirement benefits" and amounts received as pension on Schedule NJK-1, Partnership Return Form NJ-1065 are also reportable. Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as pension income. Pension payments received by reason of total and permanent disability are also exempt. However, if you retired before age 65 on a total and permanent disability pension and continue to receive pension payments after age 65, your disability pension is then treated as an ordinary pension.

If you are 62 years of age or older or disabled under the Federal Social Security Act and are receiving a United States military pension or survivor's benefit payments, the military pension or survivor's benefit is not reportable for New Jersey gross income tax purposes. Do not include such payments on Line

41, Column A, Form NJ-1040NR.

Military pensions are those resulting from service in the Army, Navy, Air Force, Marine Corps, or Coast Guard. This exemption does not apply to civil service pensions or annuities, even if the pension or annuity is based on credit for military service. Most military pensions and survivor's benefit payments are received from the U.S. Defense Finance and Accounting Service while a civil service annuity is received through the U.S. Office of Personnel Management. If your military pension or survivor's benefit is exempt from New Jersey income tax, do not include such payments on Line 41, Column A, Form NJ-1040NR.

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

Pensions, Annuities and IRA Withdrawals

The amount you report on Line 41, Column A, will depend on whether or not you made contributions to the plan.

Noncontributory Plans. Amounts you receive from noncontributory plans are fully reportable. Include on Line 41, Column A, the total amount of the pension or annuity from your 1099-R.

continued

Worksheet C	
Which Pension Method to Use	
1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment	1. _____
2. Your contributions to the plan	2. _____
3. Subtract line 2 from line 1	3. _____
(a) If line 3 is "0" or more, <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 General Rule Method

1. Your previously-taxed contributions to the plan 1. _____
2. Expected return on contract* 2. _____
3. Percentage excludable (Divide line 1 by line 2) 3. _____ %
4. Amount received this year 4. _____
5. Amount excludable (Multiply line 4 by line 3) 5. _____
6. Reportable amount (Subtract line 5 from line 4.)
Enter here and then use this figure to calculate the
amount to put on Line 41, NJ-1040NR 6. _____

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

Contributory Plans (Other than IRAs).

The total value of your pension or annuity consists of your contributions, your employer's contributions (if any) and earnings. Generally your contributions to a pension or annuity were taxed when they were made and are not reportable when withdrawn. You must determine the reportable part of any distribution you receive. Use Worksheet C to determine whether you should use the Three-year Rule Method or the General Rule Method for your pension or annuity.

NOTE:

- ◆ If you received a distribution from a 401(k) Plan, see the section on 401(k) Plans before continuing.
- ◆ The reportable amount of an IRA withdrawal must be determined by completing the IRA Worksheet E on page 24. **Do not use Worksheet C or D for an IRA withdrawal.**
- ◆ After determining the reportable amount of your pensions, annuities and IRA withdrawals, see page 25 for New Jersey exclusion information.

Three-year Rule Method. If you will recover your contributions within three years from the date you receive the first payment from the plan, and both you **and** your employer contributed to the plan, you may use the Three-year Rule Method

to determine your New Jersey reportable pension income. The Three-year Rule allows you to exclude your pension and annuity payments from gross income until the payments you receive equal your contributions to the plan. Until that time the amounts you receive, because they are considered your contributions, are not reportable and should not be entered on your return. Once you have received (recovered) an amount equal to the amount you contributed, the payments you receive are fully reportable.

Since the Three-year Rule has been repealed for Federal income tax purposes, if you retired after July 1, 1986, the reportable amount of pension or annuity that you enter on your New Jersey return when using this method will differ from the amount you report on your Federal return.

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

Worksheet D to determine the reportable amount.

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

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

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

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

Lump-Sum Distributions and Roll-overs. When a lump-sum distribution of the entire balance from a qualified employee pension, annuity, profit-sharing or other plan is made, the amount received in excess of the contributions to the plan that have already been taxed must be included in your income in the year received. New Jersey has no provisions for income averaging of lump-sum distributions. Enter the reportable amount of a lump-sum distribution on Line 41, Column A.

A lump-sum distribution from an IRA or a qualified employee pension or annuity

Worksheet E – IRA Withdrawals 2000

Part I

1. **Value of IRA** on 12/31/00 1. _____
 2. **Total distributions from IRA during the tax year.** Do not include tax-free rollovers 2. _____
 3. **Total Value of IRA.**
Add lines 1 and 2 3. _____
- Unrecovered Contributions:**
Complete **either** line 4a or 4b:
- 4a. **First year of withdrawal from IRA:**
Enter the total of IRA contributions that were previously taxed..... 4a. _____
 - 4b. **After first year of withdrawal from IRA:** Complete Part II. Enter amount of unrecovered contributions from Part II, line (g) * 4b. _____
5. **Accumulated earnings in IRA on 12/31/00.** Subtract either line 4a or 4b from line 3 5. _____
 6. Divide line 5 by line 3 and enter the result as a decimal 6. _____
 7. **Reportable portion of this year's withdrawal.**
Multiply line 2 by decimal amount on line 6.
Enter here and on Line 41, NJ-1040NR 7. _____

Part II—Unrecovered Contributions

(For Second and Later Years)

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

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

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

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

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

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

IRAs. Your IRA consists of a nonreportable part (your contributions) and a reportable part (earnings plus certain

amounts, if any, rolled over from pension plans). Generally your contributions have been previously taxed. Therefore, only the portion of your distribution that represents earnings is reportable.

Earnings credited to an IRA are not reportable until withdrawn. The interest, dividends and other earnings, as well as amounts which were tax-free rollovers, will become reportable when withdrawn. If the total amount in the IRA is withdrawn, the entire amount of the interest or accumulated gains becomes reportable in the year the withdrawal is made. If, however, the withdrawal from an IRA is made over a period of years, the portion of the annual distribution that represents

interest income and accumulated gains in the IRA is reportable.

A distribution from a rollover IRA which is fully reportable for Federal income tax purposes may be treated differently for New Jersey purposes if your contributions were subject to New Jersey income tax when the contributions were made.

Enter the reportable amount of an IRA withdrawal on Line 41. Use Worksheet E to determine the reportable portion of your IRA withdrawal. For multiple IRAs, the reportable amount may be determined by using a separate worksheet for each IRA, or all IRAs may be combined on one worksheet.

Pensions, Annuities and IRA Withdrawals - continued

Roth IRAs. Contributions to a Roth IRA are reportable as part of your gross income in the year they are made. However, if the requirements are satisfied, "qualified distributions" from a Roth IRA are excludable and do not have to be included as income in Column A or Column B of Form NJ-1040NR.

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

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

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

If you received a nonqualified distribution from a Roth IRA, you must report the earnings as income on Line 41, Column A.

If you converted an existing IRA to a rollover Roth IRA during tax year 2000, any amount from the existing IRA that would be reportable if withdrawn must be reported in your gross income in Column A.

If you converted an existing IRA to a rollover Roth IRA during tax year 1998 and elected to spread the income over a four

year period, you must *also* include one-fourth of the amount reportable for New Jersey purposes on Line 41, Column A.

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

New Jersey Pension Exclusion

New for 2000

If you qualify, you may exclude all or a part of the income you received during the year from taxable pensions, annuities and IRA withdrawals. For tax year 2000 you may exclude up to \$12,500 (filing status married, filing joint return), \$9,375 (filing status single, head of household or qualifying widow(er)), or \$6,250 (filing status married, filing separate return).

To qualify for the New Jersey pension exclusion you must be:

62 years of age or more

or

Disabled as defined by Social Security guidelines

Enter on Line 41, Column A, the total reportable pension, annuity and IRA withdrawal income less the amount next to your filing status from the Maximum Pension Exclusion chart on page 26. If zero or less, enter "0."

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

Tax Tip

If you and/or your spouse are 62 years of age or older at the end of the tax year and did not use the maximum pension exclusion amount for your filing status, or you did not use the pension exclusion because you did not report

any taxable pensions, annuities and IRA withdrawals, you may still qualify for other income exclusions. See the instructions for Line 14b, "Other Retirement Income Exclusion." Part-year nonresidents, see page 3.

COLUMN B

Pension, annuity and IRA withdrawal income is not taxable to nonresidents. Therefore, no entry is necessary on Line 41, Column B.

Line 42 - Distributive Share of Partnership Income

COLUMN A

Enter on Line 42, Column A, your share of income derived from partnership(s) as reported to you by the partnership(s) on Schedule NJK-1, Form NJ-1065. The appropriate amount to enter appears on the schedule in column A of the line labeled "Distributive Share of Partnership Income" and must be reported whether or not the income was actually distributed. If the net amount from all Schedule NJK-1s is zero or less, make no entry. Enclose a copy of each Schedule NJK-1 with your return. For detailed information regarding the reporting of partnership income, request Tax Topic Bulletin GIT-9P, *Income from Partnerships*.

If you are a New Jersey small to medium business child care consortium member, you may be eligible for a special deduction for certain child care center expenditures (or for certain qualifying sponsor contributions).

If any adjustments to the amount reported on Line 42, Column A are necessary, follow the detailed instructions in Tax Topic Bulletin GIT-9P, *Income from Partnerships*.

If the partnership had no income from New Jersey sources and you did not receive a Schedule NJK-1, you must attach a copy of the Federal Schedule K-1 and complete Reconciliation Worksheet A contained in Tax Topic Bulletin GIT-9P, *Income from Partnerships*, but only if you had income from other New Jersey

Line 42 - Distributive Share of Partnership Income - continued

sources during the year. Be sure to retain the completed worksheet for your records.

COLUMN B

Enter the portion of the partnership income that comes from New Jersey sources. If zero, enter "0."

Do not include in Column B distributive share of partnership income which you received from a partnership, LLP or LLC located in New Jersey if the business entity's only activity is the purchase, holding or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers. You must, however, include such partnership income in Column A.

Line 43 - Net Pro Rata Share of S Corporation Income**COLUMN A**

Enter on Line 43, Column A, the amount of your net pro rata share of S corporation income, whether or not the income was actually distributed. For detailed information regarding the reporting of S corporation income, request Tax Topic Bulletin GIT-9S, *Income from S Corporations*.

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

COLUMN B

Enter the portion of the net pro rata share of S corporation income that comes from New Jersey sources. If zero, enter "0."

Maximum Pension Exclusion

Amount:	For Filing Status:
\$12,500	Married, filing joint return
\$ 9,375	Single Head of Household Qualifying Widow(er)
\$ 6,250	Married, filing separate return

Line 44 - Alimony and Separate Maintenance Payments Received**COLUMN A**

Enter on Line 44, Column A, the total amount of alimony and separate maintenance payments you received which were required under a decree of divorce or separate maintenance. Do not include payments received for child support.

COLUMN B

Enter "0" on Line 44, Column B.

Line 45 - Other**COLUMN A**

Enter on Line 45, Column A:

Amounts Received as Prizes and Awards.

A prize won by any person in a raffle, drawing, television or radio quiz show, contest or any other event is reportable and must be included on Line 45, Column A. Awards, including those given to employees for their work or suggestions, are also reportable. Any prizes or awards received in goods or services must be included as income at fair market value.

Income in Respect of a Decedent. If you had the right to receive income that the deceased person would have received had he or she lived, and the income was not included on the decedent's final return, you must report the income on your own return when you receive it. The income is reported on Line 45, "Other" income. Enclose a schedule of the items of in-

come reported together and included on Line 45.

Income from Estates and Trusts. Beneficiaries receiving income from an estate or trust must include on Line 45 the net of the items listed on the Federal K-1 form(s) received. Interest, dividends, capital gains, business or partnership income, etc. as listed on the Federal K-1(s) must be adjusted to reflect New Jersey tax rules and then netted together before inclusion on Line 45, "Other" income. Be sure to include income which is not subject to Federal income tax but is subject to New Jersey gross income tax, such as interest from and losses on the disposition of obligations of states and their political subdivisions, other than New Jersey and its political subdivisions, and exclude income and losses not subject to New Jersey tax, such as gains on New Jersey tax-exempt securities. Enclose a copy of the Federal K-1(s) with your return.

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

Scholarships and Fellowships. Scholarships and fellowship grants are reportable and must be included on Line 45, Column A, unless they satisfy **all** of the following conditions:

Line 45 - Other - continued

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

Residential Rental Value or Allowance Paid by Employer. Enter on Line 45, Column A, either the rental value of a residence furnished by an employer or the rental allowance paid by an employer to provide a home. The rental value of the residence furnished is excludable and should not be reported provided that:

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

Other. Enter on Line 45, Column A, the amount of any reportable income for which a place has not been provided elsewhere on the return. Income from sources both legal and illegal is subject to tax.

COLUMN B

Enter the portion of your other income that comes from New Jersey sources. If zero, enter "0."

Do not include in Column B income you receive from an estate or trust if the estate or trust received such income from a business entity (i.e., sole proprietorship, partnership, LLP or LLC) located in New Jersey and the only activity of the business entity is the purchase, holding or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers. You must, however, include such income in Column A.

Line 46 - Total Income

COLUMN A

Enter on Line 46, Column A, the total of Lines 34-45, Column A. Also enter this amount on Line 14a, Column A.

COLUMN B

Enter on Line 46, Column B, the total of Lines 34-45, Column B. Also enter this amount on Line 14a, Column B.



Continue with Line 14a instructions on page 10.

Part II - Disposition of Property (Lines 47 - 50)

Your portion of the gain or loss derived from the disposition of property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business on Line 37, distributive share of partnership income on Line 42, income from estates and trusts on Line 45, or net pro rata share of S corporation income on Line 43. For information regarding grantor trusts see the reporting instructions for Line 45 on page 26.

Use Part II to report all other capital gains and income from the sale or exchange of any property (both inside and outside New Jersey). In arriving at your gain, you may deduct expenses of the sale and your adjusted basis in the property. The basis to be used for computing gain or loss is the cost or adjusted basis determined for Federal income tax purposes. If you sold an interest in a partnership you may be required to use a New Jersey adjusted basis. If you sold shares in an S corporation you **must** use your New Jersey adjusted basis. The gain or loss from your sale or liquidation of a sole proprietorship, a partnership interest, or shares of S corporation stock must be

reported as net gains or income from disposition of property in Part II. For instructions on calculating your New Jersey adjusted basis and the New Jersey gain or loss on disposition of a partnership interest or S corporation shares, partners and shareholders should request Tax Topic Bulletin GIT-9P, *Income from Partnerships*, or GIT-9S, *Income from S Corporations*. All gains derived from installment sales must be reported in the same year as reported for Federal income tax purposes. If the spaces provided are not sufficient, attach a statement to the return listing any additional transactions.

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

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

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

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

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

Part II - continued

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

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

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

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

Line 47 - List Transactions

List at Line 47, Part II, any reportable transaction(s) from your Federal Schedule D, indicating the gain or loss for each transaction in Column f. The Gross Income Tax Act does not distinguish between active and passive losses, nor does it authorize carryback or carryforward of such losses. You may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income, but only in the year that it occurred.

Line 48 - Capital Gains Distributions

Enter on Line 48 the total amount of all capital gains distributions from your Form 1099-DIV(s) or similar statement(s). Do not include capital gains from a "New Jersey Qualified Investment Fund" which are attributable to qualified exempt obligations or gains from mutual funds to the extent attributable to Federal obligations. For information on "New Jersey Qualified Investment Funds" see page 20.

Line 49 - Other Net Gains

Enter on Line 49 the total amount of net gains or income less net losses from disposition of property not included on Lines 47 or 48 of Part II.

Line 50 - Net Gains

Enter on Line 50 the total of the amounts listed on Line 47, Column f and Lines 48 and 49, netting gains with losses. If the netted amount is a loss, enter "0." Also enter this amount on Line 38, Column A, Part I. On Line 38, Column B, enter that portion of this amount which is derived from New Jersey sources.

Part III - Rents, Royalties, Patents and Copyrights

Your portion of net gains or loss derived from rents, royalties, patents and copyrights from property owned by a sole proprietorship, partnership, an estate or trust or, in general, an S corporation is reportable as net profits from business on Line 37, distributive share of partnership income on Line 42, income from estates and trusts on Line 45, or net pro rata share of S corporation income on Line 43. For information regarding grantor trusts see the reporting instructions for Line 45 on page 26.

Use Part III to report all other net gains or income less net losses from rents, royalties, patents and copyrights (from both inside and outside New Jersey). The Gross Income Tax Act does not distinguish

between active and passive losses, nor does it authorize carryback or carryforward of such losses. Thus, you may deduct Federal passive losses in full in the year incurred against any gain within the **same category** of income. If the spaces provided are not sufficient, attach a statement to the return listing any additional property and income.

Line 51 - List Property and Income

List at Line 51, Part III, the kind of property and the net income or loss from each property. For rentals, list the income or loss for each rental property as determined on your Federal Schedule E.

Line 52 - Totals

Add the amounts in each column and enter the totals on Line 52.

Line 53 - Net Income

Add the amounts listed on Line 52 in columns b, c, d and e. Enter the total on Line 53, netting gains with losses. If the netted amount is a loss, enter "0." Also enter this amount on Line 39, Column A, Part I. On Line 39, Column B, enter that portion of this amount which is derived from New Jersey sources.

Part IV - Allocation of Wage and Salary Income

Part IV must be completed by nonresidents who have wage/salary income earned partly inside and partly outside New Jersey who cannot readily determine the amount of wage/salary income from New Jersey.

Do not use Part IV if your wage/salary income is based on volume (the amount of sales or amount of business transacted). Instead, see the instructions for Line 34, Column B, on page 19.

Line 54 - Amount to be Allocated

Enter on Line 54 the amount reported at Line 34, Column A, which was earned partly inside and partly outside New Jersey.

Line 55 - Total Days

Full-year nonresidents, enter 365 on Line 55. Part-year nonresidents, see page 3.

Line 56 - Nonworking Days

Enter on Line 56 the total number of nonworking days (Saturdays, Sundays, holidays, sick leave, vacation, etc.) during the taxable year covered by this return.

Line 57 - Total Days Worked

Subtract Line 56 from Line 55 and enter the result on Line 57. This is the total

number of days worked during the taxable year covered by this return.

Line 58 - Days Worked Outside New Jersey

Enter on Line 58 the number of days worked outside of New Jersey during the taxable year covered by this return.

Line 59 - Days Worked in New Jersey

Subtract Line 58 from Line 57 and enter the result on Line 59. This is the number of days you worked in New Jersey during the taxable year covered by this return.

Line 60 - Allocation Factor

Divide Line 59 by Line 57. The result will be a decimal. Multiply the decimal by Line 54 and include this amount on Line 34, Column B.

Part V - Allocation of Business Income to New Jersey

Part V must be used by nonresident taxpayers who are required to complete and attach a Gross Income Tax Business Allocation Schedule (Form NJ-NR-A). This schedule is completed by nonresident individuals, partnerships, estates and trusts carrying on business both inside and outside New Jersey. For more information, contact the Customer Service Center for Form NJ-NR-A and instructions.

2000 New Jersey Tax Table for Form NJ-1040NR

Use this table if your taxable income on Line 20 is less than \$100,000. If your taxable income is \$100,000 or more, you must use the Tax Rate Schedule on the last page of this booklet.

Example: Mr. and Mrs. Evans are filing a joint return. They checked filing status “2,” married, filing joint return. Their taxable income on Line 20 of Form NJ-1040NR is \$39,875. First they find the \$39,850–\$39,900 income line. Next, they find the column for filing status “2” and read down the column. The amount shown where the income line meets the filing status column is \$628. This is the tax amount to be entered on Line 21 of Form NJ-1040NR.

If Line 20 (taxable income) Is—		And Your Filing Status* Is	
At least	But Less Than	1 or 3	2, 4 or 5
Your Tax is—			
39,800	39,850	711	627
39,850	39,900	713	628
39,900	39,950	715	629
39,950	40,000	717	630

***Filing Status:**

- 1—Single
- 2—Married, filing joint return
- 3—Married, filing separate return
- 4—Head of Household
- 5—Qualifying Widow(er)

2000 NEW JERSEY TAX TABLE (NJ-1040NR)

If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --	
At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5
Your Tax Is--		Your Tax Is--		Your Tax Is--		Your Tax Is--		Your Tax Is--		Your Tax Is--		Your Tax Is--		Your Tax Is--	
				1,000				2,000				3,000			
0	50	0	0	1,000	1,050	14	14	2,000	2,050	28	28	3,000	3,050	42	42
50	100	1	1	1,050	1,100	15	15	2,050	2,100	29	29	3,050	3,100	43	43
100	150	2	2	1,100	1,150	16	16	2,100	2,150	30	30	3,100	3,150	44	44
150	200	2	2	1,150	1,200	16	16	2,150	2,200	30	30	3,150	3,200	44	44
200	250	3	3	1,200	1,250	17	17	2,200	2,250	31	31	3,200	3,250	45	45
250	300	4	4	1,250	1,300	18	18	2,250	2,300	32	32	3,250	3,300	46	46
300	350	5	5	1,300	1,350	19	19	2,300	2,350	33	33	3,300	3,350	47	47
350	400	5	5	1,350	1,400	19	19	2,350	2,400	33	33	3,350	3,400	47	47
400	450	6	6	1,400	1,450	20	20	2,400	2,450	34	34	3,400	3,450	48	48
450	500	7	7	1,450	1,500	21	21	2,450	2,500	35	35	3,450	3,500	49	49
500	550	7	7	1,500	1,550	21	21	2,500	2,550	35	35	3,500	3,550	49	49
550	600	8	8	1,550	1,600	22	22	2,550	2,600	36	36	3,550	3,600	50	50
600	650	9	9	1,600	1,650	23	23	2,600	2,650	37	37	3,600	3,650	51	51
650	700	9	9	1,650	1,700	23	23	2,650	2,700	37	37	3,650	3,700	51	51
700	750	10	10	1,700	1,750	24	24	2,700	2,750	38	38	3,700	3,750	52	52
750	800	11	11	1,750	1,800	25	25	2,750	2,800	39	39	3,750	3,800	53	53
800	850	12	12	1,800	1,850	26	26	2,800	2,850	40	40	3,800	3,850	54	54
850	900	12	12	1,850	1,900	26	26	2,850	2,900	40	40	3,850	3,900	54	54
900	950	13	13	1,900	1,950	27	27	2,900	2,950	41	41	3,900	3,950	55	55
950	1,000	14	14	1,950	2,000	28	28	2,950	3,000	42	42	3,950	4,000	56	56

2000 NEW JERSEY TAX TABLE (NJ-1040NR) -- Continued

If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --	
At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5
Your Tax Is--				Your Tax Is--				Your Tax Is--				Your Tax Is--			
4,000				7,000				10,000				13,000			
4,000	4,050	56	56	7,000	7,050	98	98	10,000	10,050	140	140	13,000	13,050	182	182
4,050	4,100	57	57	7,050	7,100	99	99	10,050	10,100	141	141	13,050	13,100	183	183
4,100	4,150	58	58	7,100	7,150	100	100	10,100	10,150	142	142	13,100	13,150	184	184
4,150	4,200	58	58	7,150	7,200	100	100	10,150	10,200	142	142	13,150	13,200	184	184
4,200	4,250	59	59	7,200	7,250	101	101	10,200	10,250	143	143	13,200	13,250	185	185
4,250	4,300	60	60	7,250	7,300	102	102	10,250	10,300	144	144	13,250	13,300	186	186
4,300	4,350	61	61	7,300	7,350	103	103	10,300	10,350	145	145	13,300	13,350	187	187
4,350	4,400	61	61	7,350	7,400	103	103	10,350	10,400	145	145	13,350	13,400	187	187
4,400	4,450	62	62	7,400	7,450	104	104	10,400	10,450	146	146	13,400	13,450	188	188
4,450	4,500	63	63	7,450	7,500	105	105	10,450	10,500	147	147	13,450	13,500	189	189
4,500	4,550	63	63	7,500	7,550	105	105	10,500	10,550	147	147	13,500	13,550	189	189
4,550	4,600	64	64	7,550	7,600	106	106	10,550	10,600	148	148	13,550	13,600	190	190
4,600	4,650	65	65	7,600	7,650	107	107	10,600	10,650	149	149	13,600	13,650	191	191
4,650	4,700	65	65	7,650	7,700	107	107	10,650	10,700	149	149	13,650	13,700	191	191
4,700	4,750	66	66	7,700	7,750	108	108	10,700	10,750	150	150	13,700	13,750	192	192
4,750	4,800	67	67	7,750	7,800	109	109	10,750	10,800	151	151	13,750	13,800	193	193
4,800	4,850	68	68	7,800	7,850	110	110	10,800	10,850	152	152	13,800	13,850	194	194
4,850	4,900	68	68	7,850	7,900	110	110	10,850	10,900	152	152	13,850	13,900	194	194
4,900	4,950	69	69	7,900	7,950	111	111	10,900	10,950	153	153	13,900	13,950	195	195
4,950	5,000	70	70	7,950	8,000	112	112	10,950	11,000	154	154	13,950	14,000	196	196
5,000				8,000				11,000				14,000			
5,000	5,050	70	70	8,000	8,050	112	112	11,000	11,050	154	154	14,000	14,050	196	196
5,050	5,100	71	71	8,050	8,100	113	113	11,050	11,100	155	155	14,050	14,100	197	197
5,100	5,150	72	72	8,100	8,150	114	114	11,100	11,150	156	156	14,100	14,150	198	198
5,150	5,200	72	72	8,150	8,200	114	114	11,150	11,200	156	156	14,150	14,200	198	198
5,200	5,250	73	73	8,200	8,250	115	115	11,200	11,250	157	157	14,200	14,250	199	199
5,250	5,300	74	74	8,250	8,300	116	116	11,250	11,300	158	158	14,250	14,300	200	200
5,300	5,350	75	75	8,300	8,350	117	117	11,300	11,350	159	159	14,300	14,350	201	201
5,350	5,400	75	75	8,350	8,400	117	117	11,350	11,400	159	159	14,350	14,400	201	201
5,400	5,450	76	76	8,400	8,450	118	118	11,400	11,450	160	160	14,400	14,450	202	202
5,450	5,500	77	77	8,450	8,500	119	119	11,450	11,500	161	161	14,450	14,500	203	203
5,500	5,550	77	77	8,500	8,550	119	119	11,500	11,550	161	161	14,500	14,550	203	203
5,550	5,600	78	78	8,550	8,600	120	120	11,550	11,600	162	162	14,550	14,600	204	204
5,600	5,650	79	79	8,600	8,650	121	121	11,600	11,650	163	163	14,600	14,650	205	205
5,650	5,700	79	79	8,650	8,700	121	121	11,650	11,700	163	163	14,650	14,700	205	205
5,700	5,750	80	80	8,700	8,750	122	122	11,700	11,750	164	164	14,700	14,750	206	206
5,750	5,800	81	81	8,750	8,800	123	123	11,750	11,800	165	165	14,750	14,800	207	207
5,800	5,850	82	82	8,800	8,850	124	124	11,800	11,850	166	166	14,800	14,850	208	208
5,850	5,900	82	82	8,850	8,900	124	124	11,850	11,900	166	166	14,850	14,900	208	208
5,900	5,950	83	83	8,900	8,950	125	125	11,900	11,950	167	167	14,900	14,950	209	209
5,950	6,000	84	84	8,950	9,000	126	126	11,950	12,000	168	168	14,950	15,000	210	210
6,000				9,000				12,000				15,000			
6,000	6,050	84	84	9,000	9,050	126	126	12,000	12,050	168	168	15,000	15,050	210	210
6,050	6,100	85	85	9,050	9,100	127	127	12,050	12,100	169	169	15,050	15,100	211	211
6,100	6,150	86	86	9,100	9,150	128	128	12,100	12,150	170	170	15,100	15,150	212	212
6,150	6,200	86	86	9,150	9,200	128	128	12,150	12,200	170	170	15,150	15,200	212	212
6,200	6,250	87	87	9,200	9,250	129	129	12,200	12,250	171	171	15,200	15,250	213	213
6,250	6,300	88	88	9,250	9,300	130	130	12,250	12,300	172	172	15,250	15,300	214	214
6,300	6,350	89	89	9,300	9,350	131	131	12,300	12,350	173	173	15,300	15,350	215	215
6,350	6,400	89	89	9,350	9,400	131	131	12,350	12,400	173	173	15,350	15,400	215	215
6,400	6,450	90	90	9,400	9,450	132	132	12,400	12,450	174	174	15,400	15,450	216	216
6,450	6,500	91	91	9,450	9,500	133	133	12,450	12,500	175	175	15,450	15,500	217	217
6,500	6,550	91	91	9,500	9,550	133	133	12,500	12,550	175	175	15,500	15,550	217	217
6,550	6,600	92	92	9,550	9,600	134	134	12,550	12,600	176	176	15,550	15,600	218	218
6,600	6,650	93	93	9,600	9,650	135	135	12,600	12,650	177	177	15,600	15,650	219	219
6,650	6,700	93	93	9,650	9,700	135	135	12,650	12,700	177	177	15,650	15,700	219	219
6,700	6,750	94	94	9,700	9,750	136	136	12,700	12,750	178	178	15,700	15,750	220	220
6,750	6,800	95	95	9,750	9,800	137	137	12,750	12,800	179	179	15,750	15,800	221	221
6,800	6,850	96	96	9,800	9,850	138	138	12,800	12,850	180	180	15,800	15,850	222	222
6,850	6,900	96	96	9,850	9,900	138	138	12,850	12,900	180	180	15,850	15,900	222	222
6,900	6,950	97	97	9,900	9,950	139	139	12,900	12,950	181	181	15,900	15,950	223	223
6,950	7,000	98	98	9,950	10,000	140	140	12,950	13,000	182	182	15,950	16,000	224	224

2000 NEW JERSEY TAX TABLE (NJ-1040NR) -- Continued

If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --	
At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5
Your Tax Is--				Your Tax Is--				Your Tax Is--				Your Tax Is--			
16,000				19,000				22,000				25,000			
16,000	16,050	224	224	19,000	19,050	266	266	22,000	22,050	315	315	25,000	25,050	368	368
16,050	16,100	225	225	19,050	19,100	267	267	22,050	22,100	316	316	25,050	25,100	369	369
16,100	16,150	226	226	19,100	19,150	268	268	22,100	22,150	317	317	25,100	25,150	370	370
16,150	16,200	226	226	19,150	19,200	268	268	22,150	22,200	318	318	25,150	25,200	371	371
16,200	16,250	227	227	19,200	19,250	269	269	22,200	22,250	319	319	25,200	25,250	371	371
16,250	16,300	228	228	19,250	19,300	270	270	22,250	22,300	320	320	25,250	25,300	372	372
16,300	16,350	229	229	19,300	19,350	271	271	22,300	22,350	321	321	25,300	25,350	373	373
16,350	16,400	229	229	19,350	19,400	271	271	22,350	22,400	322	322	25,350	25,400	374	374
16,400	16,450	230	230	19,400	19,450	272	272	22,400	22,450	322	322	25,400	25,450	375	375
16,450	16,500	231	231	19,450	19,500	273	273	22,450	22,500	323	323	25,450	25,500	376	376
16,500	16,550	231	231	19,500	19,550	273	273	22,500	22,550	324	324	25,500	25,550	377	377
16,550	16,600	232	232	19,550	19,600	274	274	22,550	22,600	325	325	25,550	25,600	378	378
16,600	16,650	233	233	19,600	19,650	275	275	22,600	22,650	326	326	25,600	25,650	378	378
16,650	16,700	233	233	19,650	19,700	275	275	22,650	22,700	327	327	25,650	25,700	379	379
16,700	16,750	234	234	19,700	19,750	276	276	22,700	22,750	328	328	25,700	25,750	380	380
16,750	16,800	235	235	19,750	19,800	277	277	22,750	22,800	329	329	25,750	25,800	381	381
16,800	16,850	236	236	19,800	19,850	278	278	22,800	22,850	329	329	25,800	25,850	382	382
16,850	16,900	236	236	19,850	19,900	278	278	22,850	22,900	330	330	25,850	25,900	383	383
16,900	16,950	237	237	19,900	19,950	279	279	22,900	22,950	331	331	25,900	25,950	384	384
16,950	17,000	238	238	19,950	20,000	280	280	22,950	23,000	332	332	25,950	26,000	385	385
17,000				20,000				23,000				26,000			
17,000	17,050	238	238	20,000	20,050	280	280	23,000	23,050	333	333	26,000	26,050	385	385
17,050	17,100	239	239	20,050	20,100	281	281	23,050	23,100	334	334	26,050	26,100	386	386
17,100	17,150	240	240	20,100	20,150	282	282	23,100	23,150	335	335	26,100	26,150	387	387
17,150	17,200	240	240	20,150	20,200	283	283	23,150	23,200	336	336	26,150	26,200	388	388
17,200	17,250	241	241	20,200	20,250	284	284	23,200	23,250	336	336	26,200	26,250	389	389
17,250	17,300	242	242	20,250	20,300	285	285	23,250	23,300	337	337	26,250	26,300	390	390
17,300	17,350	243	243	20,300	20,350	286	286	23,300	23,350	338	338	26,300	26,350	391	391
17,350	17,400	243	243	20,350	20,400	287	287	23,350	23,400	339	339	26,350	26,400	392	392
17,400	17,450	244	244	20,400	20,450	287	287	23,400	23,450	340	340	26,400	26,450	392	392
17,450	17,500	245	245	20,450	20,500	288	288	23,450	23,500	341	341	26,450	26,500	393	393
17,500	17,550	245	245	20,500	20,550	289	289	23,500	23,550	342	342	26,500	26,550	394	394
17,550	17,600	246	246	20,550	20,600	290	290	23,550	23,600	343	343	26,550	26,600	395	395
17,600	17,650	247	247	20,600	20,650	291	291	23,600	23,650	343	343	26,600	26,650	396	396
17,650	17,700	247	247	20,650	20,700	292	292	23,650	23,700	344	344	26,650	26,700	397	397
17,700	17,750	248	248	20,700	20,750	293	293	23,700	23,750	345	345	26,700	26,750	398	398
17,750	17,800	249	249	20,750	20,800	294	294	23,750	23,800	346	346	26,750	26,800	399	399
17,800	17,850	250	250	20,800	20,850	294	294	23,800	23,850	347	347	26,800	26,850	399	399
17,850	17,900	250	250	20,850	20,900	295	295	23,850	23,900	348	348	26,850	26,900	400	400
17,900	17,950	251	251	20,900	20,950	296	296	23,900	23,950	349	349	26,900	26,950	401	401
17,950	18,000	252	252	20,950	21,000	297	297	23,950	24,000	350	350	26,950	27,000	402	402
18,000				21,000				24,000				27,000			
18,000	18,050	252	252	21,000	21,050	298	298	24,000	24,050	350	350	27,000	27,050	403	403
18,050	18,100	253	253	21,050	21,100	299	299	24,050	24,100	351	351	27,050	27,100	404	404
18,100	18,150	254	254	21,100	21,150	300	300	24,100	24,150	352	352	27,100	27,150	405	405
18,150	18,200	254	254	21,150	21,200	301	301	24,150	24,200	353	353	27,150	27,200	406	406
18,200	18,250	255	255	21,200	21,250	301	301	24,200	24,250	354	354	27,200	27,250	406	406
18,250	18,300	256	256	21,250	21,300	302	302	24,250	24,300	355	355	27,250	27,300	407	407
18,300	18,350	257	257	21,300	21,350	303	303	24,300	24,350	356	356	27,300	27,350	408	408
18,350	18,400	257	257	21,350	21,400	304	304	24,350	24,400	357	357	27,350	27,400	409	409
18,400	18,450	258	258	21,400	21,450	305	305	24,400	24,450	357	357	27,400	27,450	410	410
18,450	18,500	259	259	21,450	21,500	306	306	24,450	24,500	358	358	27,450	27,500	411	411
18,500	18,550	259	259	21,500	21,550	307	307	24,500	24,550	359	359	27,500	27,550	412	412
18,550	18,600	260	260	21,550	21,600	308	308	24,550	24,600	360	360	27,550	27,600	413	413
18,600	18,650	261	261	21,600	21,650	308	308	24,600	24,650	361	361	27,600	27,650	413	413
18,650	18,700	261	261	21,650	21,700	309	309	24,650	24,700	362	362	27,650	27,700	414	414
18,700	18,750	262	262	21,700	21,750	310	310	24,700	24,750	363	363	27,700	27,750	415	415
18,750	18,800	263	263	21,750	21,800	311	311	24,750	24,800	364	364	27,750	27,800	416	416
18,800	18,850	264	264	21,800	21,850	312	312	24,800	24,850	364	364	27,800	27,850	417	417
18,850	18,900	264	264	21,850	21,900	313	313	24,850	24,900	365	365	27,850	27,900	418	418
18,900	18,950	265	265	21,900	21,950	314	314	24,900	24,950	366	366	27,900	27,950	419	419
18,950	19,000	266	266	21,950	22,000	315	315	24,950	25,000	367	367	27,950	28,000	420	420

2000 NEW JERSEY TAX TABLE (NJ-1040NR) -- Continued

If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --		If Line 20 (New Jersey Taxable Income) Is --		And You Checked Filing Status Line --	
At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5	At Least	But Less Than	1 or 3	2, 4 or 5
		Your Tax Is--				Your Tax Is--				Your Tax Is--				Your Tax Is--	
28,000				31,000				34,000				37,000			
28,000	28,050	420	420	31,000	31,050	473	473	34,000	34,050	525	525	37,000	37,050	613	578
28,050	28,100	421	421	31,050	31,100	474	474	34,050	34,100	526	526	37,050	37,100	615	579
28,100	28,150	422	422	31,100	31,150	475	475	34,100	34,150	527	527	37,100	37,150	617	580
28,150	28,200	423	423	31,150	31,200	476	476	34,150	34,200	528	528	37,150	37,200	619	581
28,200	28,250	424	424	31,200	31,250	476	476	34,200	34,250	529	529	37,200	37,250	620	581
28,250	28,300	425	425	31,250	31,300	477	477	34,250	34,300	530	530	37,250	37,300	622	582
28,300	28,350	426	426	31,300	31,350	478	478	34,300	34,350	531	531	37,300	37,350	624	583
28,350	28,400	427	427	31,350	31,400	479	479	34,350	34,400	532	532	37,350	37,400	626	584
28,400	28,450	427	427	31,400	31,450	480	480	34,400	34,450	532	532	37,400	37,450	627	585
28,450	28,500	428	428	31,450	31,500	481	481	34,450	34,500	533	533	37,450	37,500	629	586
28,500	28,550	429	429	31,500	31,550	482	482	34,500	34,550	534	534	37,500	37,550	631	587
28,550	28,600	430	430	31,550	31,600	483	483	34,550	34,600	535	535	37,550	37,600	633	588
28,600	28,650	431	431	31,600	31,650	483	483	34,600	34,650	536	536	37,600	37,650	634	588
28,650	28,700	432	432	31,650	31,700	484	484	34,650	34,700	537	537	37,650	37,700	636	589
28,700	28,750	433	433	31,700	31,750	485	485	34,700	34,750	538	538	37,700	37,750	638	590
28,750	28,800	434	434	31,750	31,800	486	486	34,750	34,800	539	539	37,750	37,800	640	591
28,800	28,850	434	434	31,800	31,850	487	487	34,800	34,850	539	539	37,800	37,850	641	592
28,850	28,900	435	435	31,850	31,900	488	488	34,850	34,900	540	540	37,850	37,900	643	593
28,900	28,950	436	436	31,900	31,950	489	489	34,900	34,950	541	541	37,900	37,950	645	594
28,950	29,000	437	437	31,950	32,000	490	490	34,950	35,000	542	542	37,950	38,000	647	595
29,000				32,000				35,000				38,000			
29,000	29,050	438	438	32,000	32,050	490	490	35,000	35,050	543	543	38,000	38,050	648	595
29,050	29,100	439	439	32,050	32,100	491	491	35,050	35,100	545	544	38,050	38,100	650	596
29,100	29,150	440	440	32,100	32,150	492	492	35,100	35,150	547	545	38,100	38,150	652	597
29,150	29,200	441	441	32,150	32,200	493	493	35,150	35,200	549	546	38,150	38,200	654	598
29,200	29,250	441	441	32,200	32,250	494	494	35,200	35,250	550	546	38,200	38,250	655	599
29,250	29,300	442	442	32,250	32,300	495	495	35,250	35,300	552	547	38,250	38,300	657	600
29,300	29,350	443	443	32,300	32,350	496	496	35,300	35,350	554	548	38,300	38,350	659	601
29,350	29,400	444	444	32,350	32,400	497	497	35,350	35,400	556	549	38,350	38,400	661	602
29,400	29,450	445	445	32,400	32,450	497	497	35,400	35,450	557	550	38,400	38,450	662	602
29,450	29,500	446	446	32,450	32,500	498	498	35,450	35,500	559	551	38,450	38,500	664	603
29,500	29,550	447	447	32,500	32,550	499	499	35,500	35,550	561	552	38,500	38,550	666	604
29,550	29,600	448	448	32,550	32,600	500	500	35,550	35,600	563	553	38,550	38,600	668	605
29,600	29,650	448	448	32,600	32,650	501	501	35,600	35,650	564	553	38,600	38,650	669	606
29,650	29,700	449	449	32,650	32,700	502	502	35,650	35,700	566	554	38,650	38,700	671	607
29,700	29,750	450	450	32,700	32,750	503	503	35,700	35,750	568	555	38,700	38,750	673	608
29,750	29,800	451	451	32,750	32,800	504	504	35,750	35,800	570	556	38,750	38,800	675	609
29,800	29,850	452	452	32,800	32,850	504	504	35,800	35,850	571	557	38,800	38,850	676	609
29,850	29,900	453	453	32,850	32,900	505	505	35,850	35,900	573	558	38,850	38,900	678	610
29,900	29,950	454	454	32,900	32,950	506	506	35,900	35,950	575	559	38,900	38,950	680	611
29,950	30,000	455	455	32,950	33,000	507	507	35,950	36,000	577	560	38,950	39,000	682	612
30,000				33,000				36,000				39,000			
30,000	30,050	455	455	33,000	33,050	508	508	36,000	36,050	578	560	39,000	39,050	683	613
30,050	30,100	456	456	33,050	33,100	509	509	36,050	36,100	580	561	39,050	39,100	685	614
30,100	30,150	457	457	33,100	33,150	510	510	36,100	36,150	582	562	39,100	39,150	687	615
30,150	30,200	458	458	33,150	33,200	511	511	36,150	36,200	584	563	39,150	39,200	689	616
30,200	30,250	459	459	33,200	33,250	511	511	36,200	36,250	585	564	39,200	39,250	690	616
30,250	30,300	460	460	33,250	33,300	512	512	36,250	36,300	587	565	39,250	39,300	692	617
30,300	30,350	461	461	33,300	33,350	513	513	36,300	36,350	589	566	39,300	39,350	694	618
30,350	30,400	462	462	33,350	33,400	514	514	36,350	36,400	591	567	39,350	39,400	696	619
30,400	30,450	462	462	33,400	33,450	515	515	36,400	36,450	592	567	39,400	39,450	697	620
30,450	30,500	463	463	33,450	33,500	516	516	36,450	36,500	594	568	39,450	39,500	699	621
30,500	30,550	464	464	33,500	33,550	517	517	36,500	36,550	596	569	39,500	39,550	701	622
30,550	30,600	465	465	33,550	33,600	518	518	36,550	36,600	598	570	39,550	39,600	703	623
30,600	30,650	466	466	33,600	33,650	518	518	36,600	36,650	599	571	39,600	39,650	704	623
30,650	30,700	467	467	33,650	33,700	519	519	36,650	36,700	601	572	39,650	39,700	706	624
30,700	30,750	468	468	33,700	33,750	520	520	36,700	36,750	603	573	39,700	39,750	708	625
30,750	30,800	469	469	33,750	33,800	521	521	36,750	36,800	605	574	39,750	39,800	710	626
30,800	30,850	469	469	33,800	33,850	522	522	36,800	36,850	606	574	39,800	39,850	711	627
30,850	30,900	470	470	33,850	33,900	523	523	36,850	36,900	608	575	39,850	39,900	713	628
30,900	30,950	471	471	33,900	33,950	524	524	36,900	36,950	610	576	39,900	39,950	715	629
30,950	31,000	472	472	33,950	34,000	525	525	36,950	37,000	612	577	39,950	40,000	717	630

2000 NJ-1040NR Tax Table

2000 NEW JERSEY TAX TABLE (NJ-1040NR) -- Continued

Table with 16 columns: If Line 20 (New Jersey Taxable Income) Is --, And You Checked Filing Status Line --, If Line 20 (New Jersey Taxable Income) Is --, And You Checked Filing Status Line --, If Line 20 (New Jersey Taxable Income) Is --, And You Checked Filing Status Line --, If Line 20 (New Jersey Taxable Income) Is --, And You Checked Filing Status Line --. Rows are grouped by tax brackets (e.g., 88,000 to 90,950).

**2000 New Jersey Tax Rate Schedules
for Form NJ-1040NR**

FILING STATUS: Single
Married, filing separate return

Table A

		STEP 1	STEP 2	STEP 3		
If Taxable Income (Line 20) is:		Enter Line 20	Multiply Line 20 by:		Subtract	Your Tax
Over	But not over					
\$ 0	\$20,000	_____	x .014 = _____	- \$	0 = _____	
\$20,000	\$35,000	_____	x .0175 = _____	- \$	70.00 = _____	
\$35,000	\$40,000	_____	x .035 = _____	- \$	682.50 = _____	
\$40,000	\$75,000	_____	x .05525 = _____	- \$	1,492.50 = _____	
\$75,000	and over	_____	x .0637 = _____	- \$	2,126.25 = _____	

FILING STATUS: Married, filing joint return
Head of Household
Qualifying Widow(er)

Table B

		STEP 1	STEP 2	STEP 3		
If Taxable Income (Line 20) is:		Enter Line 20	Multiply Line 20 by:		Subtract	Your Tax
Over	But not over					
\$ 0	\$ 20,000	_____	x .014 = _____	- \$	0 = _____	
\$ 20,000	\$ 50,000	_____	x .0175 = _____	- \$	70.00 = _____	
\$ 50,000	\$ 70,000	_____	x .0245 = _____	- \$	420.00 = _____	
\$ 70,000	\$ 80,000	_____	x .035 = _____	- \$	1,154.50 = _____	
\$ 80,000	\$150,000	_____	x .05525 = _____	- \$	2,775.00 = _____	
\$150,000	and over	_____	x .0637 = _____	- \$	4,042.50 = _____	

A

Accounting Method **8**
 Address Label **8**
 Age, Exemption for **8**
 Alimony **12, 17, 26**
 Allocation—
 Business **29**
 Salary/Wages **19, 28**
 Amended Returns **7**
 Amount of Tax You Owe **13**
 Annuities **22**
 Armed Forces **4**
 Assembling Your Return **16**
 Attachments to NJ-1040NR **16**
 Automated Refund Inquiry **Back Cover**
 Avoiding Common Mistakes **3**
 Awards, Prizes **26**

B

Basis **27**
 Beneficiaries **6, 26**
 Blindness, Exemption for **9**
 Breast Cancer Research Fund **14**
 Business—
 Income **21**
 Employee expenses **17**

C

Cafeteria Plans **18**
 Capital Gains and Losses **21, 27**
 Capital Gains Distributions **21**
 Child Support **12, 18, 26**
 Children's Trust Fund **14**
 Commuter Transportation Benefits **18**
 Credits—
 Estimated Tax Payments/From
 1999 Return **13**
 Excess Unemployment Ins./Health
 Care Subsidy/Workforce Dev.
 Contrib./Disability Ins. **13**
 Tax Withheld **12**

D

Deceased Taxpayers **6, 26**
 Deductions—
 Alimony **12**
 Employee Business Expenses **17**
 Medical Expenses **11**
 Medical Savings Account Contributions **11**
 Moving Expenses **18**
 Meals, Lodging **17**
 Qualified Conservation Contributions **12**
 Self-Employed Health Insurance **12**
 Dependents **9**
 Disability—
 Exemption for **9**
 Income **18**
 Insurance, Excess Withheld **13**
 Dividends **20**
 Domicile **2**
 Drug Abuse Education Fund **15**

E

Early Retirement Benefits **22**
 Endangered Wildlife Fund **14**
 Estates and Trusts **6, 26**

Estimated Tax **7, 13**
 Exclusions—
 Other Retirement Income **10**
 Pension **25**
 Gain on Sale of Home **27**
 Exemptions **8**
 Extension of Time to File **5**

F

Federal/State Tax Agreement **7**
 Filing Requirements **1**
 Filing Status **8**
 Fiscal Year **5**
 Fraudulent Return **7**

G

Gains and Losses **21, 27**
 Gambling Winnings **17, 22**
 General Rule Method **23**
 Gubernatorial Elections Fund Check-Off **9**

H

Home, Sale of **27**
 How to Pay **5**

I

Income—
 Defined **16**
 Exclusions **10, 25, 27**
 Exempt **18**
 In Respect of Decedent **6, 26**
 New Jersey Source **16**
 Percentage **12**
 Installment Sales **27**
 Interest and Penalties **7**
 Interest Income **20**
 IRA—
 Contributions **11, 24**
 Roth **25**
 Withdrawals **22-25**

K

Keogh Plan **11, 22**
 Korean Veterans' Memorial Fund **15**

L

Lottery Winnings **22**
 Lump-Sum Distributions **23**

M

Medical Expenses **11**
 Medical Savings Accounts **11**
 Military Personnel **4**
 Pensions, military **22**
 Mutual Funds, reporting dividends from **20**

N

Nonresident, defined **1**

O

Other Retirement Income Exclusion **10**
 Overpayment **6, 14**

P

Part-year Residents/Nonresidents **1, 3**
 Partners and Partnerships **7, 25**
 Penalties and Interest—
 Early Withdrawal of Savings **20**

Failure to File **7**
 Failure to Pay **7**
 Pennsylvania Residents **2**
 Pension Exclusion **25**
 Pensions **22-25**
 Postmark Date **5**
 Preparers, Tax **7**
 Privacy Act Notification **8**

Q

Qualified Conservation Contributions **12**
 Qualified Investment Fund **20**

R

Record keeping **7**
 Refunds **6, 16**
 Rental Income **21, 28**
 Resident, defined **1**
 Residence Furnished by Employer **17, 27**
 Rollovers **23**
 Roth IRAs **25**
 Rounding Off to Whole Dollars **7**
 Royalties **21, 28**

S

S Corporations **26**
 Sale of Home **27**
 Scholarships and Fellowships **17, 26**
 Sick Pay **19**
 Signatures **3, 7**
 Social Security Number **8, 13**
 Social Security Benefits—
 Exclusion for persons not receiving **10**
 Taxability of **18**
 Statutory Employees **18**
 Students—
 Filing requirements **1**
 Dependents Attending College **9**

T

Tax—
 Preparers **7**
 Rate Schedules **39**
 Table **30-38**
 Withheld **12**
 Tax Assistance **Back Cover**
 Taxpayers' Bill of Rights **2**
 Three-year Rule Method **23**
 Trusts and Estates **6, 26**

U

Unemployment Compensation **18**
 Unemployment Ins./Health Care Subsidy/
 Workforce Dev., Excess Withheld **13**
 U.S.S. New Jersey Educational Museum
 Fund **14**

V

Vietnam Veterans' Memorial Fund **14**

W

Wages **17-19**
 Wage and Tax Statement (W-2) **19**
 When to File **5**
 Where to Send Your Return **6**
 Which Form to Use **1**
 Who Must File **1**

When You Need Information

by Phone...

Call our Automated Tax Information System

1-800-323-4400 — (Touch-tone phones within New Jersey, New York, Pennsylvania, Delaware, and Maryland) **or 609-826-4400** (Touch-tone phones anywhere)

- Listen to recorded tax information on many topics.
- Order forms and publications through our automated message system.
- Get information on 2000 refunds from ARIS, our Automated Refund Inquiry System, 7 days a week (hours may vary).

Contact our Customer Service Center

609-292-6400 — Speak directly to a Division of Taxation Representative for tax information and assistance, 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays).

TTY Equipment Users Only

Call **1-800-286-6613** (within New Jersey, New York, Pennsylvania, Delaware, and Maryland) or **609-984-7300** (anywhere) to ask questions or to order forms and publications.

in Person...

Visit a New Jersey Division of Taxation Regional Office

Regional offices provide individual assistance at various locations throughout the State. Call the Automated Tax Information System or visit our home page for the address of the regional office nearest you.

on the World Wide Web...

Visit the New Jersey Division of Taxation Home Page

Many State tax forms and publications are now available on the World Wide Web. Access the Division's home page via your computer's modem at:

<http://www.state.nj.us/treasury/taxation/>

You may also reach us by e-mail at:

taxation@tax.state.nj.us

To Get Forms...

- Call New Jersey's Forms Request System at 1-800-323-4400 (Touch-tone phones within New Jersey, New York, Pennsylvania, Delaware, and Maryland) or 609-826-4400 (Touch-tone phones anywhere).
- Visit a New Jersey public library to obtain forms.
- Write to:

NJ DIVISION OF TAXATION
TAXPAYER FORMS SERVICES
PO BOX 269
TRENTON NJ 08695-0269

- Dial NJ TaxFax at 609-826-4500 from your fax machine's phone. NJ TaxFax makes State tax forms available to fax machine users 24 hours a day, 7 days a week. Once connected to NJ TaxFax, simply enter the form number of the desired form. It will be faxed to you within seconds.

CAUTION: We will not accept returns filed on fax paper. Please photocopy before filing. Form NJ-1040 is available on NJ TaxFax and on the Division's Web site for reference only and cannot be used for filing since resident returns must be filed on original forms.

Who Can Help...

In addition to assistance provided by the Division, other free tax assistance is available for senior citizens, disabled, non-English speaking and low-income people. Trained volunteers in the VITA (Volunteer Income Tax Assistance) and TCE (Tax Counseling for the Elderly) Programs are available to help prepare both Federal and State returns at over 400 locations throughout New Jersey.

For the location nearest you, contact the Division's Customer Service Center at 609-292-6400 or the Internal Revenue Service.

