

NJ-1040 WORKSHEETS

WORKSHEET A, Which Pension Method to Use

WORKSHEET B, General Rule Method

WORKSHEET C, IRA Withdrawals

WORKSHEET D, Other Retirement Income Exclusion

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

WORKSHEET F, Deduction for Medical Expenses

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

WORKSHEET H, Property Tax Deduction/Credit

WORKSHEET I, Which Property Tax Benefit to Use

WORKSHEET J, Child and Dependent Care Credit

WORKSHEET K, Use Tax Calculation

WORKSHEET L, Shared Responsibility Payment Calculation

Worksheet A
Which Pension Method to Use

1. Amount of pension you will receive during the first three years (36 months) from the date of the first payment 1. _____
 2. Your contributions to the plan 2. _____
 3. Subtract line 2 from line 1 3. _____
 - (a) If line 3 is "0" or more, *and* both you and your employer contributed to the plan, you can use the **Three-Year Rule Method**.
 - (b) If line 3 is less than "0," or your employer did not contribute to the plan, you must use the **General Rule Method**.
- (Keep for your records)**

Worksheet B
General Rule Method

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

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

(Keep for your records)

**Worksheet C
IRA Withdrawals**

Part I – Calculating Taxable and Excludable Amounts

1. **Value of IRA on 12/31/22.**
Include contributions made for the tax year from 1/1/23 – 4/15/23..... 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. Then continue with line 5.
- 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 line 15.4b. _____
 5. **Accumulated earnings in IRA on 12/31/22.**
Subtract either line 4a or 4b from line 3.5. _____
 6. Divide line 5 by line 3. (Enter the result as a decimal.)6. _____
 7. **Taxable portion of this year’s withdrawal.** Multiply line 2 by decimal amount on line 6. Enter here and on line 20a, Form NJ-1040.7. _____
 8. **Excludable portion of this year’s withdrawal.** Subtract line 7 from line 2. Enter here and on line 20b, Form NJ-1040.....8. _____

Part II – Unrecovered Contributions (For Second and Later Years)

See Part III if you did not complete Worksheet C in prior years.

9. **Last year’s unrecovered contributions.** From line 4 of last year’s Worksheet C9. _____
10. **Amount withdrawn last year.** From line 2 of last year’s Worksheet C10. _____
11. **Taxable portion of last year’s withdrawal.** From line 7 of last year’s Worksheet C..... 11. _____
12. **Contributions recovered last year.** Subtract line 11 from line 10.....12. _____
13. **This year’s unrecovered contributions.** Subtract line 12 from line 9.....13. _____
14. **Contributions to IRA during current tax year.** Do not include tax-free rollovers.....14. _____
15. **Total unrecovered contributions.** Add lines 13 and 14. Enter here and **on line 4b.**.....15. _____

Part III – Unrecovered Contributions (For Second and Later Years)

Complete this section **only** if you **did not** complete Worksheet C in prior years.

Calculate the amount of unrecovered contributions as follows:

16. Total amount of **withdrawals** made from the IRA in previous years.16. _____
17. Total of previous year withdrawal(s) already reported as income on prior New Jersey tax returns.17. _____
18. Contributions already recovered. Subtract line 17 from line 1618. _____
19. **Unrecovered contributions.** Subtract line 18 from the total amount of contributions made to the IRA. Enter here and **on line 4b.**19. _____

(Keep for your records)

Worksheet D
Other Retirement Income Exclusion
Age Requirement: 62 or older

Part-year residents, do not complete this worksheet. (See instructions on page 19.)

Is income on line 27, NJ-1040 **MORE than \$150,000?**

- Yes. You are not eligible to use any unclaimed portion of your maximum exclusion.
Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).
- No. Continue with line 1.

1. Enter the amount of your maximum exclusion using the chart below 1. _____
2. Enter the amount from line 28a, NJ-1040..... 2. _____
3. Subtract line 2 from line 1 3. _____

Is the amount on line 3 **MORE than \$0?**

- Yes. Continue with line 4.
- No. You do not have any unused exclusion amount. Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).

4. Enter the amount from line 15, NJ-1040 4. _____
5. Enter the amount from line 18, NJ-1040 5. _____
6. Enter the amount from line 21, NJ-1040 6. _____
7. Enter the amount from line 22, NJ-1040 7. _____
8. Add lines 4, 5, 6, and 7 8. _____

Is the amount on line 8 **MORE than \$3,000?**

- Yes. You are not eligible to use the unclaimed portion of your maximum exclusion.
Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).
- No. Continue with line 9.

9. Unclaimed Exclusion. Enter the amount from line 3. Also include this amount on line 28b, NJ-1040 9. _____

Joint filers: If only one spouse is 62 or older, only the income of that spouse can be excluded.

Special Exclusion. If you (and your spouse if filing jointly) will **never** be able to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, you may qualify for this exclusion. See GIT-1 & 2, *Retirement Income*, before entering an amount on line 28b.

Maximum Exclusion

Filing Status:	Income on line 27:		
	\$0 – \$100,000	\$100,001 – \$125,000	\$125,001 – \$150,000
Married/CU couple, filing joint return	\$100,000	50% of line 27	25% of line 27
Single Head of household Qualifying widow(er)/surviving CU partner	\$75,000	37.5% of line 27	18.75% of line 27
Married/CU partner, filing separate return	\$50,000	25% of line 27	12.5% of line 27

(Keep for your records)

Worksheet E
Other Retirement Income Exclusion – Part-Year Residents
Age Requirement: 62 or older

Was your income for the *entire year* **MORE than \$150,000?**

- Yes. You are not eligible to use any unclaimed portion of your maximum exclusion.
 Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).
- No. Continue with line 1.

1. Enter the amount of your maximum exclusion calculated using the chart below.
 If your income was \$100,000 or less, you must prorate the maximum amount based on the number of months you were a New Jersey resident 1. _____
2. Enter the amount from line 28a, NJ-1040..... 2. _____
3. Subtract line 2 from line 1. 3. _____

Is the amount on line 3 **MORE than \$0?**

- Yes. Continue with line 4.
- No. You do not have any unused exclusion amount. Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).

Enter the following income for the *entire year*:

4. Wages, salaries, tips, and other employee compensation 4. _____
5. Net profits from business 5. _____
6. Distributive share of partnership income 6. _____
7. Net pro rata share of S corporation income 7. _____
8. Add lines 4, 5, 6, and 7 8. _____

Is the amount on line 8 **MORE than \$3,000?**

- Yes. You are not eligible to use the unclaimed portion of your maximum exclusion.
 Make no entry on line 28b unless you are eligible for the Special Exclusion (see below).
- No. Continue with line 9.

9. Unclaimed Exclusion. Enter the amount from line 3. Also include this amount on line 28b, NJ-1040 9. _____

Joint filers: If only one spouse is 62 or older, only the income of that spouse can be excluded.

Special Exclusion. If you (and your spouse if filing jointly) will **never** be able to receive Social Security or Railroad Retirement benefits because your employer did not participate in either program, you may qualify for this exclusion. See GIT-1 & 2, *Retirement Income*, before entering an amount on line 28b.

Maximum Exclusion

Filing Status:	Income for the <i>Entire Year</i>		
	\$0 – \$100,000	\$100,001 – \$125,000	\$125,001 – \$150,000
Married/CU couple, filing joint return	$\frac{\text{Months NJ resident}^*}{12} \times \$100,000$	50% of line 27	25% of line 27
Single Head of household Qualifying widow(er)/surviving CU partner	$\frac{\text{Months NJ resident}^*}{12} \times \$75,000$	37.5% of line 27	18.75% of line 27
Married/CU partner, filing separate return	$\frac{\text{Months NJ resident}^*}{12} \times \$50,000$	25% of line 27	12.5% of line 27

*For this calculation, 15 days or more is considered a month.

(Keep for your records)

Worksheet F Deduction for Medical Expenses

1. Total unreimbursed medical expenses 1. _____
2. Enter line 29, Form NJ-1040 _____ $\times .02 =$ 2. _____
3. Medical Expenses Deduction. Subtract line 2 from line 1 and enter result here.
If zero or less, enter zero 3. _____
4. Enter the amount of your qualified Archer MSA contributions from federal Form 8853 4. _____
5. Enter the amount of your self-employed health insurance deduction 5. _____
6. **Total Deduction for Medical Expenses.** Add lines 3, 4, and 5. Enter the result here and on line 31, Form NJ-1040.
If zero, enter zero here and make no entry on line 31, Form NJ-1040 6. _____

(Keep for your records)

Worksheet G

PART I: HOMEOWNERS Main homes you owned in New Jersey during 2022

Address	(a) Number of days in 2022 in this residence as an owner	(b) Share of property owned by you (and your spouse)	(c) Share (%) of property used as your main home	(d) Total property taxes paid on this property for this period	(e) Your share of property taxes paid on this property for this period
1.					
2.					
3.					
4. Your share of total property taxes paid for 2022 for your main homes (total of column e) If you were also a tenant in New Jersey during the year, continue with Part II. Otherwise, go to Part III					

PART II: TENANTS Main homes you rented in New Jersey during 2022

Address	(a) Number of days in 2022 in this residence as a tenant	(b) Total number of tenants who shared the rent	(c) Total rent paid by all people living in this residence during this period	(d) Total rent paid by you (and your spouse) for this residence during this period
5.				
6.				
7.				
8. Your share of total rent paid for 2022 for your main homes (total of column d).....				
9. Allowable portion of rent. Line 8 \times 0.18. Continue to Part III				

PART III: TOTAL

10. Add line 4 and line 9. Enter the total here and on line 40a, Form NJ-1040. If your filing status is married/CU partner, filing separate return and both you and your spouse maintained the same main home, use one-half of this amount when completing line 40a.

(Keep for your records)

Worksheet H Property Tax Deduction/Credit

Review the eligibility requirements on page 24 before completing Worksheet H. Part-year residents, see page 30.

Complete both columns of this worksheet to find out whether the deduction or the credit is better for you.

1. **Property Taxes.** Enter the property taxes from line 40a, Form NJ-1040. 1. _____
 Senior Freeze (Property Tax Reimbursement) applicants must use their base year amount.
(See instructions on page 29.)

2. **Property Tax Deduction.** Is the amount on line 1 of this worksheet \$15,000 or more (\$7,500 or more if you and your spouse file separate returns but maintained the same main home)?

Yes. Enter \$15,000 (\$7,500 if you and your spouse file separate returns but maintained the same main home).

No. Enter the amount from line 1. 2. _____

STOP — if you are claiming a credit for taxes paid to other jurisdictions.

Complete only lines 1 and 2. Then complete Schedule NJ-COJ and Worksheet I.
 (See instructions on page 30.)

3. Taxable Income (From line 39 of Form NJ-1040)

4. Property Tax Deduction (From line 2 above)

5. New Jersey Taxable Income (Subtract line 4 from line 3)

6. Tax on line 5 amount (From Tax Table or Tax Rate Schedules)

7. Subtract line 6, column A from line 6, column B

Column A		Column B	
3.		3.	
4.		4.	- 0 -
5.		5.	
6.		6.	
7.		7.	

8. **Is the line 7 amount \$50 or more** (\$25 if you and your spouse file separate returns but maintained the same main home)? **Part-year residents**, see page 30 before answering “No.”

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 41	Line 4, column A
Line 42	Line 5, column A
Line 43	Line 6, column A
Line 56	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 41	Make no entry
Line 42	Line 5, column B
Line 43	Line 6, column B
Line 56	\$50 (\$25 if you and your spouse file separate returns but maintained the same main home). Part-year residents must prorate this amount. (See instructions on page 30.)

(Keep for your records)

Worksheet I Which Property Tax Benefit to Use

	COLUMN A		COLUMN B	
1. Tax. Enter amounts from line 7, Schedule NJ-COJ, columns A and B here.....	1.		1.	
2. Credit for Taxes Paid to Other Jurisdiction. Enter amounts from line 9, Schedule NJ-COJ, columns A and B here. If you completed more than one Schedule NJ-COJ, enter the total of all line 9 amounts (columns A and B) in the corresponding column.....	2.		2.	
3. Balance of Tax Due. Subtract line 2 from line 1 in each column	3.		3.	
4. Subtract line 3, column A from line 3, column B			4.	

5. Is the line 4 amount \$50 or more (\$25 if you and your spouse file separate returns but maintained the same main home)? **Part-year residents**, see instructions for line 9, Schedule NJ-COJ, before answering "No."

Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 41	Line 5, Column A, Schedule NJ-COJ
Line 42	Line 6, Column A, Schedule NJ-COJ
Line 43	Line 7, Column A, Schedule NJ-COJ
Line 44	Line 2, Column A, Worksheet I
Line 56	Make no entry

No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.

<i>Form NJ-1040</i>	<i>Enter amount from:</i>
Line 41	Make no entry
Line 42	Line 6, Column B, Schedule NJ-COJ
Line 43	Line 7, Column B, Schedule NJ-COJ
Line 44	Line 2, Column B, Worksheet I
Line 56	\$50 (\$25 if you and your spouse file separate returns but maintained the same main home). Part-year residents must prorate this amount. (See instructions for line 9, Schedule NJ-COJ.)

(Keep for your records)

Worksheet J Child and Dependent Care Credit

1. Enter your federal credit for child and dependent care expenses.....1. _____

2. Enter your taxable income from line 42, NJ-1040. If blank, enter zero.....2. _____

3. Enter the percentage below based on the amount on line 2.

If line 2 is over	But not over	Enter %
\$ 0	\$ 30,000	50%
\$ 30,000	\$ 60,000	40%
\$ 60,000	\$ 90,000	30%
\$ 90,000	\$120,000	20%
\$120,000	\$150,000	10%
\$150,000	and over	not eligible.....3. _____%

4. Multiply line 1 by the percentage on line 3. Also enter this amount on line 64, NJ-1040. Part-year residents, see above.4. _____

(Keep for your records)

Worksheet K Use Tax Calculation

Did you buy any taxable items or services without paying New Jersey Sales Tax? This includes any internet, phone, mail-order, or out-of-State purchases on which New Jersey Sales Tax was not collected, or purchases on which tax was collected at a rate less than 6.625%. (Do not include purchases of eligible items that were exempt from tax during the Sales Tax holiday in effect August 27, 2022–September 5, 2022). If the answer is “Yes,” you owe Use Tax to New Jersey. If you have already paid all Use Tax due with Form ST-18, answer “No.”

- Yes. Complete Parts I, II, and III to calculate the amount of Use Tax due.
 No. Enter “0.00” on line 51, Form NJ-1040. **Do not leave line 51 blank.**

Part I – Use Tax due on items or services costing *less than \$1,000* each

Complete lines 1a–1d OR line 2.

If you know the exact amount of your purchases...

- 1a. Enter the exact amount of your taxable purchases on which no New Jersey Sales Tax was collected..... 1a. _____
 1b. Multiply line 1a by 6.625% (.06625) 1b. _____
 1c. Enter the amount of sales tax collected by other states for purchases on line 1a, up to 6.625%.
 Do not include sales tax collected by foreign countries 1c. _____
 1d. Subtract line 1c from line 1b. Continue with Part II 1d. _____

OR

If you do not know the exact amount of your purchases...

2. Enter the amount of Use Tax from the Estimated Use Tax Chart below that corresponds to the income you reported on line 29, Form NJ-1040. Continue with Part II..... 2. _____

Part II – Use Tax due on items or services costing *\$1,000 or more* each

- 3a. Enter the exact amount of your taxable purchases on which no New Jersey Sales Tax was collected 3a. _____
 3b. Multiply line 3a by 6.625% (.06625) 3b. _____
 3c. Enter the amount of sales tax collected by other states for purchases on line 3a, up to 6.625%.
 Do not include sales tax collected by foreign countries 3c. _____
 3d. Subtract line 3c from line 3b. Continue with Part III..... 3d. _____

Part III – Total Use Tax Due

4. Add the amount from either line 1d or line 2 to the amount on line 3d. Enter here and on line 51, Form NJ-1040 4. _____

(Keep for your records)

Estimated Use Tax Chart

(for Part I, line 2 only)

If your New Jersey gross income is:	Use Tax	If your New Jersey gross income is:	Use Tax
up to \$15,000.....	\$ 14	\$100,001 – \$150,000.....	134
\$15,001 – \$30,000.....	44	\$150,001 – \$200,000.....	170
\$30,001 – \$50,000.....	64	\$200,001 and over.....	.0852% (.000852)
\$50,001 – \$75,000.....	84	of income, or \$494, whichever is less.	
\$75,001 – \$100,000.....	106		

Worksheet L

Shared Responsibility Payment Calculation

Do not complete if everyone in your tax household had minimum essential health coverage or qualified for an exemption for the entire year.

Part-year residents see instructions on page 37 before completing this worksheet.

Part I

1. Enter the amount from line 27 (Total Income) of your NJ-1040. **Do not** use income from your federal income tax return. 1. _____

2. Enter the amount from line 16b (Tax-Exempt Interest) of your NJ-1040. 2. _____

3. Enter income of any dependents you claim on your return. Also include any individual(s) you can, but do not, claim as a dependent(s) on your return.*

	Enter amount from Line 27, NJ-1040	Enter amount from Line 16b, NJ-1040
_____	_____	_____
Dependent name		
_____	_____	_____
Dependent name		
_____	_____	_____
Dependent name		
_____	_____	_____
Dependent name		
_____	_____	_____
Dependent name		

Total dependent income.

Add the amounts in each column

and enter the total on line 3. _____ + _____ = 3. _____

If more than five dependents have income, include any additional dependents' income in the total on line 3.

*List estimated income, if any, of dependents who will not file a 2022 New Jersey Income Tax return. Do not include any dependent's income that is included on your own 2022 NJ-1040.

4. Total household income. Add lines 1 through 3. 4. _____

5. Enter the amount listed for your filing status:

\$10,000 – Single

Married/CU partner filing separate return

\$20,000 – Married/CU couple filing joint return

Head of Household

Qualifying widow(er)/surviving CU partner

5. _____

6. Subtract line 5 from line 4 6. _____

7. **Income Percentage Amount.** Multiply the amount on line 6 by 2.5% (0.025) 7. _____

8. **Did you or anyone in your tax household have minimum essential health coverage coverage for part, but not all of the year?**

Yes. Complete Part III on page 39.

No. Complete Part II on page 39.

(Keep for your records)

Part II – Complete if no one in your tax household had minimum essential health coverage for any part of the year.

1. Number of individuals in your tax household who were **18 or older** (see instructions) _____ x \$695.00 = 1. _____
2. Number of individuals in your tax household who were **under age 18** (see instructions) _____ x \$347.50 = 2. _____
3. Add line 1 and line 2 3. _____
4. Flat Rate Amount. Enter the lesser of line 3 or \$2,085..... 4. _____
5. Income Percentage Amount. Enter the income percentage amount from Part I, line 7..... 5. _____
6. Enter the greater of line 4 or line 5 6. _____
7. Enter the amount listed for the size of your tax household:
 1 person – \$3,661 3 people – \$10,983 5+ people – \$18,304
 2 people – \$7,322 4 people – \$14,643 7. _____
8. **Shared Responsibility Payment.** Enter the lesser of line 6 or line 7. Also enter on line 53, NJ-1040..... 8. _____

Part III – Complete if any member of your tax household had minimum essential health coverage during any part, but not all, of the year.

Section A

- 1a. Number of individuals listed in Part II of Schedule NJ-HCC who were **18 or older** (see instr.) _____ x 12 = _____
- b. Number of boxes checked for individuals included in line 1a..... _____
- c. Months without minimum essential health coverage. Subtract line 1b from line 1c..... _____
- d. Multiply line 1c by \$57.92..... 1d. _____
- 2a. Number of individuals listed in Part II of Schedule NJ-HCC who were **under age 18** (see instr.) _____ x 12 = _____
- b. Number of boxes checked for individuals included in line 2a..... _____
- c. Months without minimum essential health coverage. Subtract line 2b from line 2c..... _____
- d. Multiply line 2c by \$28.96..... 2d. _____
3. Add lines 1d and 2d 3. _____
4. Flat Rate Amount. Enter the lesser of line 3 or \$2,085..... 4. _____

Section B

5. Enter the income percentage amount from Part I, line 7 5. _____
6. Number of individuals listed in Part II of Schedule NJ-HCC _____ x 12 = 6. _____
7. Number of boxes checked in Part II of Schedule NJ-HCC 7. _____
8. Months without minimum essential health coverage. Subtract line 7 from line 6 8. _____
9. Divide line 8 by line 6 (Enter as a percentage)..... 9. _____ %
10. Income Percentage Amount. Multiply the amount on line 5 by the percentage on line 9..... 10. _____

Section C

11. Enter the greater of line 4 or line 10 11. _____
12. Enter the amount listed for the size of your tax household:
 1 person – \$3,661 3 people – \$10,983 5 people – \$18,304
 2 people – \$7,322 4 people – \$14,643 12. _____
13. **Shared Responsibility Payment.** Enter the lesser of line 11 or line 12. Also enter on line 53, NJ-1040..... 13. _____

(Keep for your records)