

# Homeowners

## Verification of 2012 Property Taxes

(Use blue or black ink. See instructions for completion on back.)

### Part I — To Be Completed by Applicant (Part II to be completed by tax collector)

Social Security # \_\_\_\_\_ - \_\_\_\_\_ Spouse's/CU Partner's Social Security # \_\_\_\_\_ - \_\_\_\_\_

Name \_\_\_\_\_  
Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse's/CU partner's last name ONLY if different)

Address \_\_\_\_\_  
Street City State Zip Code

Block \_\_\_\_\_ Lot \_\_\_\_\_ Qualifier \_\_\_\_\_

- A. Did you own your principal residence with someone who was not your spouse/CU partner? Yes  No
- B. If yes, indicate the share (percentage) of the property that you (and your spouse/CU partner) owned.   %
- C. Does your principal residence have more than one unit? Yes  No
- D. If yes, indicate the share (percentage) of the property used as your principal residence.   %

### Part II — To Be Completed by Tax Collector

#### 2012 Property Taxes

- 1. Total Amount Levied by Municipality (before Deductions and/or Credits are subtracted) ..... \$ \_\_\_\_\_
- 2. Total 2012 Taxes Paid by Homeowner(s) by 6/1/13 ..... \$ \_\_\_\_\_
- 3. Senior Citizen's Deduction ..... \$ \_\_\_\_\_
- 4. Veteran's Deduction ..... \$ \_\_\_\_\_
- 5. REAP Credit ..... \$ \_\_\_\_\_
- 6. Homestead Benefit (Credit(s)) ..... \$ \_\_\_\_\_
- 7. Total Deductions and Credits (Add Lines 2, 3, 4, 5, and 6) ..... \$ \_\_\_\_\_  
**If Line 7 is equal to Line 1, complete Line 8.**
- 8. Enter amount from Line 7. If applicant answered "Yes" to Questions A and/or C above, the amount on Line 8 must be apportioned. See instructions on back. .... \$ \_\_\_\_\_



Applicant enters this amount on Line 9, Form PTR-2

I certify that I am the local tax collector of \_\_\_\_\_, where the above property is located. I further certify that the above-stated amounts of property taxes due and paid for calendar year 2012 are true and accurate to the best of my knowledge. I have placed my stamp below for verification.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

# Form PTR-2A – Instructions

## Part I – To Be Completed by Applicant

**Social Security Number.** If your marital/civil union status as of December 31, 2012, was single, enter only your social security number in the space provided on Form PTR-2A. If your status as of December 31, 2012, was married/CU couple, you must report both applicants' numbers in the order in which the names are listed on the application. If you were married or in a civil union but living apart from your spouse/civil union partner, and you did not have access to or receive support from their income, you are considered "Single" for purposes of the property tax reimbursement and you should enter only your social security number on Form PTR-2A.

**Name and Address.** Print or type your name (last name first) and complete address of the property for which you are claiming the reimbursement in the spaces provided. Also include your spouse's/civil union partner's name if filing jointly.

**Block/Lot/Qualifier.** Enter the block and lot numbers of the principal residence for which you are claiming the reimbursement in the spaces provided. Include qualifier if applicable. (Only condominiums may have qualifiers assigned to them.)

- A. Multiple Owners.** Check "Yes" if you owned your principal residence with someone else (other than your spouse/civil union partner) — even if the other owner(s) did not live in the home. For example, you and your sister own the home you live in. If you (and your spouse/civil union partner) were the sole owner(s), check "No."
- B. Percentage of Ownership.** If you answered "Yes" at Line A, enter the share (percentage) of the property that you (and your spouse/civil union partner) owned. For example, if you and your spouse/civil union partner own your principal residence equally with your daughter, you and your spouse/civil union partner own one-half of the property and must enter 50% as your share of ownership. The shares of ownership of the property are considered to be held equally by all owners. If the shares of ownership are not equal, you must provide documentation as to the percentage of ownership.
- C. Multi-Unit Properties.** Check "Yes" if your principal residence consisted of more than one unit. For example, you own a property which consists of four residential units and you occupy one of the units as your principal residence. If your principal residence consisted of only one unit, check "No."
- NOTE:** Residents of condominium complexes, co-ops, and continuing care retirement facilities are not considered to be living in multi-unit dwellings and should check "No."
- D. Percentage of Occupancy.** If you answered "Yes" at Line C, enter the share (percentage) of the property used as your principal residence. For example, if you and your spouse/civil union partner own a duplex and live in one-half of the property and your daughter lives in the other half, you must enter 50% as your share of occupancy.

## Part II – To Be Completed by Tax Collector

Enter the appropriate amounts for calendar year 2012 as follows:

**Line 1.** Enter the amount of property taxes levied by the municipality before any deductions and/or credits are subtracted (e.g., senior citizen's deduction).

**Line 2.** Enter the total amount of property taxes paid by, or on behalf of, the homeowner(s). Enter only amounts actually due for the year provided they were paid by June 1, 2013.

**Line 3.** Enter the amount of any senior citizen's deduction the homeowner(s) received.

**Line 4.** Enter the amount of any veteran's deduction the homeowner(s) received.

**Line 5.** Enter the amount of any Regional Efficiency Aid Program (REAP) credit the homeowner(s) received.

**Line 6.** Enter the amount of any Homestead Benefit the homeowner(s) received as credit(s).

**Line 7.** Add Lines 2, 3, 4, 5, and 6 and enter the total on Line 7. Compare Lines 1 and 7.

- If Line 7 is equal to Line 1, complete the balance of Form PTR-2A.
- If Line 7 is not equal to Line 1, the applicant is not eligible for a property tax reimbursement. **Do not complete the balance of Form PTR-2A.**

**Line 8.** If the applicant answered "No" to the questions at both Line A and Line C, enter the amount of property taxes from Line 7.

If the applicant answered "Yes" at either Line A or Line C, the amount of property taxes to be entered on Line 8 must be apportioned. If title to the property is held by the eligible applicant with others as tenants in common or joint tenants (except in the case of husband and wife or civil union partners), or if the property consists of more than one unit, the applicant is only eligible for the proportionate share of the reimbursement which reflects the percentage of ownership or the percentage of occupancy.

**Multiple Owners.** If the applicant answered "Yes" at Part I, Line A, multiply the amount of property taxes on Line 7 by the percentage of ownership shown at Part I, Line B and enter the result on Line 8.

**Multi-Unit Properties.** If the applicant answered "Yes" at Part I, Line C, multiply the amount of property taxes on Line 7 by the percentage of occupancy shown at Part I, Line D, and enter the result on Line 8.

If the applicant answered "Yes" to the questions at both Lines A and C, multiply the amount of property taxes on Line 7 by the percentage of occupancy shown at Part I, Line D, and enter the result on Line 8.

**Certification.** Complete the certification portion of Form PTR-2A. Sign the certification and place the authorization stamp in the space provided. (Use blue or black ink.)

# Mobile Home Owners

## Verification of 2012 Mobile Home Park Site Fees

(Applicant completes Parts I and III. Mobile home park owner or manager completes Part II.

Use blue or black ink. See instructions for completion on back.)

### Part I — To Be Completed by Applicant

Social Security # \_\_\_\_\_ Spouse's/CU Partner's Social Security # \_\_\_\_\_

Name \_\_\_\_\_  
Last Name, First Name, and Initial (Joint filers enter first name and initial of each - Enter spouse's/CU partner's last name ONLY if different)

Address \_\_\_\_\_  
Street City State Zip Code

Mobile Home Park Site # \_\_\_\_\_

A. Did someone other than your spouse/CU partner occupy your mobile home and share site fees with you? If you (and your spouse/CU partner) were the sole occupant(s), check "No." Yes  No

B. Indicate the share (percentage) of the site fees that you (and your spouse/CU partner) paid. If you (and your spouse/CU partner) were the sole occupant(s), enter 100%.    %

### Part II — To Be Completed by Mobile Home Park Owner or Manager

#### 2012 Site Fees

(Do not include municipal service fees or other charges)

- Total site fees due for calendar year 2012 under agreement with mobile home park..... \$ \_\_\_\_\_
- Total site fees paid by resident(s) for calendar year 2012 only ..... \$ \_\_\_\_\_  
If Line 2 is less than Line 1, the applicant is not eligible for a reimbursement. Do not complete the certification.

I certify that I am the owner or manager of \_\_\_\_\_, where the above mobile home site is located. I further certify that the above-stated amounts of site fees due and paid for calendar year 2012 are true and accurate to the best of my knowledge.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title) (Phone)

### Part III — To Be Completed by Applicant (AFTER Part II has been completed by mobile home park owner or manager)

3. Total site fees paid by all residents living at this address.  
(Enter amount from Part II, Line 2)..... \$ \_\_\_\_\_

4. Share (percentage) of site fees that you (and your spouse/CU partner) paid.  
(Enter percentage from Part I, Line B as a decimal. For example, if the share is 50%, enter 0.50.  
If 100%, enter 1.00)..... × \_\_\_\_\_

5. Total site fees paid by you (and your spouse/CU partner) (Line 3 × Line 4)..... \$ \_\_\_\_\_

6. Total property taxes paid by you (and your spouse/CU partner)  
(Line 5 × 0.18) ..... \$ \_\_\_\_\_

Enter this amount on Line 9, Form PTR-2

(If you complete this form, be sure to enclose it with your Form PTR-2 application.)

# Form PTR-2B – Instructions

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## Part I – To Be Completed by Applicant

**Social Security Number.** If your marital/civil union status as of December 31, 2012, was single, you must enter your social security number in the space provided on Form PTR-2B. If your status as of December 31, 2012, was married/CU couple, you must report both applicants' numbers in the order in which the names are listed on the application. If you were married or in a civil union but living apart from your spouse/civil union partner, and you did not have access to or receive support from their income, you are considered "Single" for purposes of the property tax reimbursement and you should enter only your social security number on Form PTR-2B.

**Name and Address.** Print or type your name (last name first) and complete address of the property for which you are claiming the reimbursement in the spaces provided. Also include your spouse's/civil union partner's name if filing jointly.

**Mobile Home Park Site Number.** Enter the mobile home park site number of the principal residence for which you are claiming the reimbursement in the space provided.

- A. Multiple Occupants.** Check "Yes" only if you occupied your mobile home with someone else (other than your spouse/civil union partner) and shared mobile home park site fees with them. For example, you live in your mobile home with your sister. If you (and your spouse/civil union partner) were the sole occupant(s), check "No."
- B. Percentage of Site Fees Paid.** Enter the share (percentage) of the site fees that you (and your spouse/civil union partner) paid. For example, if you and your sister live in your mobile home and you both pay one-half of the site fees, you must enter 50% as your share. If you (and your spouse/civil union partner) were the sole occupant(s), enter 100%.

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## Part II – To Be Completed by Mobile Home Park Owner or Manager

Enter the appropriate amounts for calendar year 2012 as follows:

**Line 1.** Enter the amount of site fees due under the mobile home park agreement entered into with the resident(s).

**Line 2.** Enter the total amount of mobile home park site fees paid by, or on behalf of, the resident(s). Enter **only** amounts actually due and paid for the calendar year.

Compare Lines 1 and 2.

- If Line 2 is equal to Line 1, complete the certification portion of Form PTR-2B.
- If Line 2 is **less than** Line 1, the applicant is not eligible for a property tax reimbursement. **Do not complete the certification portion of Form PTR-2B.**

**Certification.** Complete the certification portion of Form PTR-2B.

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## Part III – To Be Completed by Applicant

**Line 3 - Total Site Fees Paid.** Enter the total site fees paid for the calendar year by all residents who lived in the mobile home for which you are claiming a property tax reimbursement. (Enter amount from Part II, Line 2.)

**Line 4 - Percentage of Site Fees Paid.** Enter your share (percentage) of site fees paid from Part I, Line B for the calendar year. Enter this number as a decimal. For example, if you lived in your mobile home with your sister and you both paid 50% of the site fees, enter 0.50 on Line 4. If you (and your spouse/civil union partner) were the sole occupant(s), enter 1.00.

**Line 5 - Total Site Fees Paid by Applicant.** Multiply the amount on Line 3 by the decimal on Line 4.

**Line 6 - Total Property Taxes Paid by Applicant.** Multiply the amount of site fees on Line 5 by 18% (0.18) and enter the result in the box at Line 6.

# 2012 Form PTR-2

## Property Tax Reimbursement (“Senior Freeze”) Application Instructions

### **IMPORTANT!**

The format of the 2012 property tax reimbursement application has changed. You must complete all three pages and sign the application on the last page. Read all instructions carefully. The method of reporting pension and retirement benefits (including IRA and annuity income) for property tax reimbursement purposes has changed as a result of a recent court decision.

### **Introduction**

The Property Tax Reimbursement (“Senior Freeze”) Program is designed to reimburse senior citizens and disabled persons for property tax increases. Because you applied for and were eligible for a 2011 reimbursement, you only need to show us that you met the eligibility requirements for 2012. The amount of your 2012 reimbursement will be the difference between the amount of property taxes that were due and paid for your base year (the first year that all eligibility requirements were met) and the amount of property taxes that were due and paid for 2012, provided, of course, that the amount paid for 2012 was greater than the base year amount. For mobile home owners, property tax means 18% of the annual site fees paid to the owner of a mobile home park.

Homeowners and mobile home owners who are receiving homestead benefits, and/or property tax credits or deductions may also receive the property tax reimbursement if they meet the eligibility requirements. However, the total of all property tax relief benefits that you receive for 2012 (property tax reimbursement, homestead benefit, property tax deduction for senior citizens/disabled persons, and property tax deduction for veterans) cannot exceed the amount of 2012 property taxes (or rent/site fees constituting property taxes) paid for your residence.

### **Impact of State Budget**

**Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget.**

Check the Division of Taxation’s Web site at [www.state.nj.us/treasury/taxation/ptr/index.shtml](http://www.state.nj.us/treasury/taxation/ptr/index.shtml) or call 1-800-323-4400 for updated information on eligibility and benefit amounts. Eligibility requirements and benefit amounts for 2012 property tax reimbursements will not be finalized until the completion of the State Budget that must be adopted by July 1, 2013.

### **Qualifications**

To qualify for the 2012 reimbursement, you must meet all of the following requirements:

- You must have been age 65 or older OR receiving Federal Social Security disability benefits as of December 31, 2012. You do NOT qualify if the Federal Social Security disability benefits you (or your spouse/civil union partner) were receiving were received on behalf of someone else; **and**

### **Reminder**

The Homestead Benefit and Property Tax Reimbursement (“Senior Freeze”) Programs are separate programs and separate applications must be filed every year for each program.



## 2012 Form PTR-2 Instructions

- On December 31, 2012, you must still have been living in the home for which you applied and were eligible for the 2011 property tax reimbursement; **and**
- You must have paid the **full amount** of 2012 property taxes due on your home by June 1, 2013; **and**
- Your total 2012 income must have been \$82,880 or less, regardless of your marital/civil union status. However, if your status at Line 1, Form PTR-2, is married/CU couple, you must report combined income of both spouses/CU partners.

You may not apply for a reimbursement for:

- (1) A vacation home, a “second home,” or a property that you rent to someone else; **or**
- (2) A property that consists of more than four units **OR** a property with four units or less that contains more than one commercial unit.

## Income Standards

With very few exceptions, **ALL INCOME** that you received during the year, including income which you are not required to report on your New Jersey income tax return, must be taken into account to determine eligibility for the property tax reimbursement. Income limits for eligibility are subject to adjustment annually.

If you have a loss in one category of income, it may be applied against income in the same category. However, if you have a net loss in one category of income, it **cannot** be applied against income or gains in another. In the case of a net loss in any category, leave that line blank.

Examples of possible sources of income (gross amounts unless otherwise noted) are as follows:

- Social Security Benefits (including Medicare Part B premiums) paid to or on behalf of the applicant
- Pension and Retirement Benefits (including annuity or IRA distributions and benefit payments from foreign countries)

- Salaries, Wages, Bonuses, Commissions, and Fees
- Unemployment Benefits
- Disability Benefits, whether public or private (including veterans’ and black lung benefits)
- Interest (taxable and exempt)
- Dividends
- Capital Gains
- Net Rental Income
- Net Profits From Business
- Net Distributive Share of Partnership Income
- Net Pro Rata Share of S Corporation Income
- Support Payments
- Inheritances
- Royalties
- Fair Market Value of Prizes and Awards
- Gambling and Lottery Winnings (including New Jersey Lottery)
- Bequests and Death Benefits
- All Other Income

Sources of income which should **NOT** be taken into account to determine eligibility:

- Reparation or restitution payments to victims of National Socialist (Nazi) persecution; returns of property (tangible or intangible) seized, lost, or misappropriated as a result of Nazi actions or policies and any cash values in replacement of such property; payments of insurance policies purchased by victims of Nazi persecution; and any accumulated or accrued interest on such
- Benefit amounts received under the New Jersey State Lifeline Credit Program/Tenants Lifeline Assistance Program
- Benefits received as either New Jersey homestead, FAIR, or SAVER rebates
- Benefits received as property tax reimbursements

- Capital gains on the sale of a principal residence of up to \$250,000 if single, and up to \$500,000 if married/CU couple. Capital gains in excess of the allowable exclusion must be included in income. (Capital gains and the exclusion of all or part of the gain on the sale of a principal residence are computed in the same manner for both Federal and State income tax purposes.)
- Stipends from the Volunteers in Service to America (VISTA), Foster Grandparents, and Workforce 55+ programs; and programs under Title V of the Older Americans Act of 1965
- Proceeds received from a spouse's/civil union partner's life insurance policy
- Proceeds received by the beneficiary of a Special Needs Trust
- Proceeds received from viatical settlements
- Agent Orange Payments
- Reparation payments to Japanese Americans by the Federal Government pursuant to sections 105 and 106 of the Civil Liberties Act of 1988, P.L. 100-383 (50 U.S.C. App. 1989b-4 and 1989b-5)
- Rewards involving health care fraud or abuse which apply to N.J.A.C. 10:49-13.4
- Rollovers from one financial instrument (pension, annuity, IRA, insurance contract or other retirement benefit) to another financial instrument
- Tax-free exchanges of a policy or contract handled between two insurance companies
- Insurance policyholder's original contributions if demutualization of the policy occurs
- Income tax refunds (New Jersey, Federal, and other jurisdictions)

## Filing Requirements

### Due Date June 3, 2013

Eligible applicants must file the 2012 Property Tax Reimbursement Application (Form PTR-2) on or before June 3, 2013. Applications postmarked on

or before the due date are considered to be filed on time. Applications postmarked after the due date are considered to be filed late.

### Proof of Payment

Applicants are required to submit with their applications proof of the amount of property taxes that were due **and** paid. The Division of Taxation will accept copies of the following:

### HOMEOWNERS

1. **Property tax bills** for 2012, **along with**
2. **Proof of the amount of property taxes paid** which may be either:
  - a. Copies of cancelled checks or receipts for 2012 showing the amount of property taxes paid; or
  - b. A copy of Form 1098 for 2012 which you received from your mortgage company showing the amount of property taxes which were paid out of your escrow account.

**Verification Form.** We realize that you may not be able to locate your 2012 property tax bills or proof of the amount of taxes paid. For your convenience, we have included a form in this booklet (Form PTR-2A) which you may submit as proof of the amount of property taxes due and paid.

**NOTE:** If you choose to use Form PTR-2A, you must have Part II completed and certified by your local tax collector as to the amount of property taxes due and paid for 2012. Be sure to enclose the completed verification form with your Form PTR-2 application.

**Multiple owners (if home is owned by more than one person, other than husband and wife or civil union partners).** If title to the property is held by the eligible applicant with others as tenants in common or joint tenants (except in the case of a husband and wife or civil union partners), the applicant is only eligible for the

## 2012 Form PTR-2 Instructions

proportionate share of the reimbursement which reflects his or her percentage of ownership. This is true even if the other owner(s) did not live in the home. The shares of ownership of the property are considered to be held equally by all owners. If the shares of ownership are not equal, the applicant must provide documentation as to the percentage of ownership.

**Multiple units (if home consists of more than one unit).** If the property consists of more than one unit, the applicant is only eligible for the proportionate share of the reimbursement which reflects the percentage of the property used as his or her principal residence.

### MOBILE HOME OWNERS

1. **A copy of the contract(s) or agreement(s)** for 2012 from the mobile home park showing the amount of your site fees, **along with**
2. **Proof of the amount of site fees paid** which may be either:
  - a. Copies of cancelled checks or receipts for 2012 showing the amount of site fees paid; or
  - b. A signed statement from the mobile home park management showing the amount of site fees paid for 2012.

**Verification Form.** In place of 1 and 2 above, mobile home owners may provide a completed Form PTR-2B.

**NOTE:** If you choose to use Form PTR-2B, you must have Part II completed and certified by the owner or manager of the mobile home park as to the amount of mobile home park site fees due and paid for 2012. Be sure to enclose the completed verification form with your Form PTR-2 application.

## Deceased Residents

If a person met all the eligibility requirements for 2012 but died before filing an application, Form PTR-2 should be filed by the surviving spouse/civil union partner or personal representative (executor or administrator of an estate or anyone who is in charge of the decedent's personal property). Print "Deceased" and the date of death above the decedent's name and indicate on Line 1 the marital/civil union status of the applicant(s) on December 31, 2012. If a joint application is being filed, write the name of the surviving spouse/civil union partner in the name field if it is not already preprinted on the application. If a joint application is not being filed, write the personal representative's name and address in the remaining space.

If a personal representative has been appointed, that person must sign the application in his or her official capacity. If a joint application is being filed, the surviving spouse/civil union partner must also sign. If no personal representative has been appointed, the surviving spouse/civil union partner signs the application and writes "Filing as Surviving Spouse" or "Filing as Surviving Civil Union Partner." If no personal representative has been appointed and there is no surviving spouse/civil union partner, the person in charge of the decedent's property must file and sign the application as "personal representative."

When a spouse/civil union partner dies prior to December 31, 2012, the surviving spouse/civil union partner must meet all the eligibility requirements for 2012 himself/herself to receive the reimbursement. The marital/civil union status of the survivor who was unmarried or not a partner in a civil union on December 31, 2012, is "Single." In that case, print "Deceased" and the date of death above the decedent's name, and write "Filing as Surviving Spouse" or "Filing as Surviving Civil Union Partner" in the signature section.

**Fill in the oval below the signature line and enclose a copy of the decedent's death certificate in order to have any reimbursement check issued to the decedent's surviving spouse/civil union partner or estate.**



## Reimbursement Checks

For qualified applicants who apply before May 1, 2013, reimbursement checks will be sent on or before July 15, 2013. Qualified applicants who apply between May 1 and June 3, 2013, will be sent reimbursement checks on or before September 1, 2013.

**NOTE:** Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget. Check the Division of Taxation's Web site at [www.state.nj.us/treasury/taxation/ptr/index.shtml](http://www.state.nj.us/treasury/taxation/ptr/index.shtml) or call 1-800-323-4400 for updated information on eligibility and benefit amounts. Eligibility requirements and benefit amounts for 2012 property tax reimbursements will not be finalized until the completion of the State Budget that must be adopted by July 1, 2013.

Under New Jersey law, if you receive a property tax reimbursement that is larger than the amount for which you are eligible, you will be required to repay any excess you received. The amount you owe can be deducted from your property tax reimbursement, income tax refund or credit, or homestead benefit before the payment is issued.

## Privacy Act Notification

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

Your social security number is used primarily to account for and give credit for tax payments. The Division of Taxation also uses social security numbers in the administration and enforcement of all tax laws for which it is responsible. In addition, the Division of Taxation is required by law to forward an annual list to the Administrative Office of the Courts containing the names, addresses, and social security numbers of individuals who file a New Jersey tax return or property tax benefit application. This list will be used to avoid duplication of names on jury lists.

## Completing the Application

### Name and Address

Your name and mailing address are preprinted on your PTR-2 application. If your mailing address is incorrect, draw a line through it and enter the correct information. Your reimbursement and next year's application form will be sent to the address you provide.

### Social Security Number

If your marital/CU status as of December 31, 2012, was single, you must enter your social security number in the space provided on the application, one digit in each box (□). Your social security number is not printed on the form. If your status as of December 31, 2012, was married/CU couple, you must report both applicants' numbers in the order in which the names are listed on the application. If you were married or in a civil union but living apart from your spouse/civil union partner, and you did not have access to or receive support from their income, you are considered "Single" for purposes of the property tax reimbursement and you should enter only your social security number on the application.

### Line 1 - 2012 Marital/Civil Union Status

Indicate your marital/civil union status on December 31, 2012. Fill in only one oval (●). If you are married or in a civil union but living apart from your spouse/civil union partner, and you did not have access to or receive support from their income, you are considered to be "Single" for purposes of the property tax reimbursement.

### Line 2 - Age/Disability Status

Fill in the oval (●) to indicate your status as of December 31, 2012, as follows:

**Line 2a.** Indicate whether you were 65 or older on December 31, 2012. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

**Line 2b.** Indicate whether you were receiving Federal Social Security disability benefits on

## 2012 Form PTR-2 Instructions

December 31, 2012. Fill in the appropriate oval to the right of "Yourself." If your marital/civil union status was married/CU couple, fill in the appropriate oval to the right of "Spouse/CU Partner."

If both you and your spouse/civil union partner did not meet the age or disability requirement, **you are not eligible for the reimbursement and you should not file this application.**

### Line 3 - Residency Requirement

If on December 31, 2012, you were still living in the home for which you applied and were eligible for the 2011 property tax reimbursement, fill in the "Yes" oval (●). If "No," **you are not eligible for a property tax reimbursement and you should not file this application.**

### Line 4 - Total 2012 Income

Review "Income Categories" below before entering your income amounts on Lines a - w. For a list of sources of income that you are not required to take into account to determine income eligibility, see page 2.

List all the income you received in 2012. If your total income for 2012 was \$82,880 or less, you meet the income eligibility requirement for 2012. If you were married or in a civil union as of December 31, 2012, you must combine your income with your spouse's/civil union partner's income. If your spouse/civil union partner died during 2012 and your marital/civil union status on December 31, 2012, was "Single," list only the income you yourself received (do not include your deceased spouse's/civil union partner's income). Joint income must be apportioned to reflect the amount you received. If you meet the income eligibility requirement, continue with Line 5.

### Income Categories

With very few exceptions, **ALL INCOME** that you received during the year, including income which you are not required to report on your New Jersey income tax return, must be taken into account to determine eligibility for the property tax reimbursement. In most cases, you must report on your ap-

plication the total (gross) amount of income you received, whether taxable or nontaxable.

If you have a loss in one category of income, it may be applied against income in the same category. However, if you have a net loss in one category of income, it **cannot** be applied against income or gains in another category. In the case of a net loss in any category, leave that line blank.

#### Line A

Enter the total amount of Social Security or Railroad Retirement benefits (including Medicare Part B premiums) from Box 5 of Form SSA-1099 or Form RRB-1099.

#### Line B

Enter the total amount of wages, salaries, tips, etc. you received from all employment both inside and outside New Jersey as shown in Box 1 of Form W-2. Include all payments you received whether in cash, benefits, or property.

#### Line C

Enter the total amount you received from fees, commissions, bonuses, and any other payments received for services performed both inside and outside New Jersey which are not already listed on Line b. Include all payments you received whether in cash, benefits, or property.

#### Line D

Enter the total amount of unemployment benefits you received as shown in Box 1 of Form 1099-G.

If you received family leave insurance benefits, enter the total amount shown in Box 1 of the Form 1099-G you received for those payments.

#### Line E

Enter the total amount of disability benefits you received, including veterans' and black lung benefits.

#### Line F

Enter the total amount of interest you received from sources both inside and outside of New Jersey. All interest, whether taxable or tax-exempt, must be included. If you incurred a penalty by making a withdrawal from a certificate of deposit or other time-deposit account early, you may subtract this penalty from your total interest.

**Line G**

Enter the total amount of dividends you received 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 H**

Enter the total amount of capital gains you received from the sale, exchange, or other disposition of property. This includes all gains or income derived from the sale of real property (e.g., house, condominium unit, parcel of land) and personal property whether tangible (e.g., car, jewelry, furniture) or intangible (e.g., stocks, bonds, mutual funds). All gains, whether taxable or nontaxable, must be reported.

Capital gains on the sale of a principal residence of up to \$250,000 for a single person or up to \$500,000 for a married/civil union couple that are also excluded from income taxation for Federal and New Jersey purposes may be excluded. Capital gains in excess of the allowable exclusion must be reported.

**Line I**

Enter the net amount (after expenses) of rental income you received.

**Line J**

Enter the net amount of income (profits) from your business, trade, or profession whether carried on inside or outside of New Jersey.

**Line K**

Enter the net amount of your distributive share of partnership income, regardless of whether or not the income was actually distributed.

**Line L**

Enter the amount of your net pro rata share of S corporation income, regardless of whether or not the income was actually distributed.

**Line M**

Enter the total amount of alimony and separate maintenance payments you received which were required under a decree of divorce/dissolution or

separate maintenance. Do not include payments received for child support.

**Line N**

Enter the total amount you received as an inheritance (whether received in the form of cash or property) except for transfers of property or assets from a deceased spouse/civil union partner to a surviving spouse/civil union partner. You must also report any income you received as a beneficiary of an estate or trust.

**Line O**

Enter the total amount of income you received from royalties.

**Line P**

Enter the total amount of gambling and lottery winnings you received, including all New Jersey Lottery winnings.

**Line Q**

Enter the total value of any property or assets you received as a gift or bequest and amounts paid as death benefits. You must also include life insurance proceeds payable by reason of death, except for payments to the spouse/civil union partner of the deceased.

**Line R**

Enter the total amount of any other income you received for which a place has not been provided elsewhere on the application. Income from sources both legal and illegal must be included.

**Line S**

Add the amounts on Lines a through r and enter the result on Line s. If the amount on Line s is \$82,880 or less, continue to Line t.

If the amount on Line s is over \$82,880, **you are not eligible for the reimbursement and you should not file this application.**

**Line T**

Enter the total amount of pension and annuity payments, including IRA withdrawals, as shown in Box 1, "Gross distribution," of Form 1099-R.

Do not include income from: a direct rollover to another financial instrument, a tax-free exchange of

## 2012 Form PTR-2 Instructions

a policy or contract between two insurance companies, or a conversion from an existing traditional IRA to a Roth IRA.

### Line U

Add the amounts on Line s and Line t and enter the result on Line u. If the amount on Line u is \$82,880 or less, also enter this amount on Line 4, Total 2012 Income, and continue completing the application on page 3.

If the amount on Line u is over \$82,880, complete Line v.

### Line V

**Do not enter on Line v the amount of Gross Pension and Retirement Benefits you reported on Line t. Follow the instructions below to calculate the amount of New Jersey Pension and Retirement Benefits for Line v. In most cases, the New Jersey amount will be less than the amount on Line t.**

Enter the total amount (after adjustments) of pension and annuity payments, including IRA withdrawals, that you reported on Line 19, Pensions, Annuities, and IRA Withdrawals, of your 2012 New Jersey resident income tax return, Form NJ-1040. If you are required to file a 2012 Form NJ-1040, you must complete Line 19 before you complete your PTR-2 application.

If are not required to file a 2012 Form NJ-1040, you must calculate the amount you would have reported on Line 19 if you did file the return. For your convenience, a copy of the instructions for completing Line 19 of Form NJ-1040 has been included in this booklet as Appendix A.

For property tax reimbursement purposes, you **must** make adjustments to the Line 19 amount as follows:

1. Add any amounts received as U.S. military pension or survivor's benefit payments.
2. Add any amounts received **before age 65** as a total and permanent disability pension.
3. If you received a distribution from a Roth IRA, add the portion of the distribution that you would have reported if it were a traditional IRA. See Appendix A.

Do not include income from: a direct rollover to another financial instrument, a tax-free exchange of a policy or contract between two insurance companies, or a conversion from an existing traditional IRA to a Roth IRA.

### Line W

Add the amounts on Line s and Line v and enter the result on Line w. If the amount on Line w is \$82,880 or less, also enter this amount on Line 4, Total 2012 Income, and continue completing the application on page 3.

If the amount on Line w is over \$82,880, **you are not eligible for the reimbursement and you should not file this application.**

## Line 5 - 2012 Eligibility Statement

Fill in the "Yes" oval if you met all the eligibility requirements for 2012 (see "Qualifications" on page 1). If "No," you are not eligible for the reimbursement and you should not file this application.

## Principal Residence (Lines 6 - 8)

### Line 6 - Status

Fill in the oval (●) to indicate whether you are claiming the reimbursement as a "Homeowner" or "Mobile Home Owner." Fill in only one oval.

### Line 7a - Multiple Owners

**Homeowners.** Check "Yes" only if you owned your principal residence with someone else (other than your spouse/civil union partner) — even if the other owner(s) did not live in the home. For example, you and your sister own the home you live in. If you (and your spouse/civil union partner) were the sole owner(s), check "No."

**Mobile Home Owners.** If you occupied your mobile home with someone other than your spouse/civil union partner and shared site fees with them, check "Yes." If you (and your spouse/civil union partner) were the sole occupant(s), check "No."

### Line 7b - Percentage of Ownership

**Homeowners.** If you answered "Yes" at Line 7a, enter the share (percentage) of the property



owned by you (and your spouse/civil union partner). For example, if you and your spouse/civil union partner own your principal residence with your daughter, you and your spouse/civil union partner own one-half of the property and must enter 50% on Line 7b of the application. If your daughter is also eligible, she must file a separate property tax reimbursement application.

**Mobile Home Owners.** If you answered "Yes" at Line 7a, enter the share (percentage) of site fees that you (and your spouse/civil union partner) paid.

**Line 8a - Multi-Unit Properties**

Check "Yes" if your principal residence consisted of more than one unit. For example, you own a property which consists of four residential units and you occupy one of the units as your principal residence. If your principal residence consisted of only one unit, check "No."

**NOTE: Residents of condominium complexes, co-ops, and continuing care retirement facilities are not considered to be living in multi-unit dwellings and should check "No."**

**Line 8b - Percentage of Occupancy**

If you answered "Yes" at Line 8a, enter the share (percentage) of the property that you (and your spouse/civil union partner) used as your principal residence. For example, if you and your spouse/civil union partner own a duplex and live in one-half of the property and your daughter lives in the other half, you must enter 50% on Line 8b.

**Property Taxes (Lines 9 - 10)**

**Line 9 - 2012 Property Taxes**

**HOMEOWNERS**

Enter your total 2012 property taxes due and paid on your principal residence in New Jersey. (If you received a senior citizen's deduction, veteran's deduction, a Regional Efficiency Aid Program (REAP) credit, and/or homestead benefit credit(s), enter the amount of property taxes actually due and paid before the deduction(s) and/or credit(s) were subtracted.) *If you enclose Form PTR-2A,*

*you must enter on Line 9 the amount of 2012 property taxes from Part II, Line 8.*

Enter dollars and cents, one digit in each box (□). Do not use dollar signs or dashes. If you did not pay the full amount of property taxes due by June 1, 2013, you are not eligible for the reimbursement.

**NOTE:**

- **If you (or your spouse/civil union partner) are a totally and permanently disabled veteran who received a 100% exemption from local property taxes in 2012, you are not eligible for a property tax reimbursement, even if a portion of the dwelling was rented to a tenant and property taxes were paid on the rented portion.**
- **If you made P.I.L.O.T. (Payments-in-Lieu-of-Tax) payments to your municipality during 2012, these payments are not considered property taxes for purposes of the property tax reimbursement.**

**Residents of cooperative dwelling units and continuing care retirement facilities** must obtain a statement from their management indicating their share of property taxes paid for the residential unit they occupy.

**Multiple Owners.** If you owned your home with someone other than your spouse/civil union partner, enter the proportionate share of the property taxes for your percentage of ownership listed at Line 7b. The shares of ownership of the property are considered to be held equally by all owners. If the shares of ownership are not equal, enclose a copy of your deed or other documentation with your application showing your percentage of ownership. For example, you and your sister (who lives in another state) are co-owners of a home on which you pay all the property taxes. If the 2012 property taxes totaled \$6,000, you must indicate at Line 7b that you owned 50% of the property, and you must enter \$3,000 on Line 9 (\$6,000 × 50%). You are only eligible for a proportionate share of the reimbursement based on your percentage of ownership in the property. Your sister is not eligible for a reimbursement for this home because she does not live there.



## 2012 Form PTR-2 Instructions

**Multiple Units.** If your home consisted of more than one unit, enter the proportionate share of property taxes for the unit you occupied as your principal residence. For example, if the 2012 property taxes for your four-unit property totaled \$4,000 and you indicated at Line 8b that you occupied 25% of the property (one unit), you must enter \$1,000 on Line 9 ( $\$4,000 \times 25\%$ ). You are only eligible for a proportionate share of the reimbursement based on the portion of the property that you occupied as your principal residence, even if you paid all of the property taxes.

**Multi-Unit Property With Multiple Owners.** If you answered "Yes" at both Lines 7a and 8a, use the percentage of occupancy you entered at Line 8b to calculate your proportionate share of property taxes.

### MOBILE HOME OWNERS

Enter your 2012 property taxes due and paid on your principal residence in New Jersey on Line 9. (For mobile home owners, property taxes are 18% of the annual site fees due and paid to the owner of the mobile home park.) If you lived with someone (other than your spouse/civil union partner) and shared the site fees with them, use the percentage you entered on Line 7b to calculate the proportionate share of the site fees paid by you (and your spouse/civil union partner). Multiply the amount of site fees by 18% (0.18) and enter the result in the boxes at Line 9. *If you enclose Form PTR-2B, you must enter on Line 9 the amount of 2012 property taxes from Part III, Line 6.*

Enter dollars and cents, one digit in each box (□). Do not use dollar signs or dashes. If you did not pay the full amount due by December 31, 2012, you are not eligible for the reimbursement.

### Line 10 - Base Year Property Taxes

The amount of your base year property taxes is preprinted on your PTR-2 application. If the amount is incorrect, draw a line through it and enter the correct amount in the space to the left of the boxes at Line 10, Form PTR-2. If you make a change to the base year property tax amount, enclose an explanation with your application.

### IMPORTANT

**You must enclose verification of 2012 property taxes (or mobile home park site fees) due and paid with Form PTR-2. See page 3 for acceptable forms of proof.**

## Reimbursement Amount

### Line 11

Subtract Line 10 from Line 9 and enter the result on Line 11. Enter dollars and cents, one digit in each box (□). Do not use dollar signs or dashes. This is the amount of your 2012 property tax reimbursement. If the amount on Line 11 is zero or less, **you are not eligible for a property tax reimbursement and you should not file this application.**

The total amount of all property tax relief benefits you receive for 2012 (property tax reimbursement, homestead benefit, property tax deduction for senior citizens/disabled persons, or property tax deduction for veterans) cannot exceed the total amount of property taxes or rent/site fees constituting property taxes paid for 2012 on your principal residence in New Jersey. (For this purpose, 18% of rent/site fees paid during the year is considered property taxes.) This limitation may affect the amount of your property tax reimbursement.

**NOTE: Eligibility requirements, including income limits, and benefits available under this program are subject to change by the State Budget. Check the Division of Taxation's Web site at [www.state.nj.us/treasury/taxation/ptr/index.shtml](http://www.state.nj.us/treasury/taxation/ptr/index.shtml) or call 1-800-323-4400 for updated information on eligibility and benefit amounts. Eligibility requirements and benefit amounts for 2012 property tax reimbursements will not be finalized until the completion of the State Budget that must be adopted by July 1, 2013.**

Under New Jersey law, if you receive a property tax reimbursement that is larger than the amount for

which you are eligible, you will be required to repay any excess you received. The amount you owe can be deducted from your property tax reimbursement, income tax refund or credit, or homestead benefit before the payment is issued.

## Signatures

Sign and date your property tax reimbursement application in ink. If your 2012 marital/civil union status is married/CU couple, both of you must sign the application. The signatures on the application you file must be original; photocopied signatures are not acceptable.

**Tax Preparers.** Anyone who prepares an application for a fee must sign the application 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 application or provide a tax identification number may incur a \$25 penalty for each omission. Someone who prepares your application but does not charge you should not sign your application.

## Remember to Enclose the Following-

### HOMEOWNERS

#### Proof of Payment

- Copies of your 2012 property tax bills; **and**
  - Copies of cancelled checks or receipts for 2012 showing the amount of property taxes paid; **or**
  - Copy of Form 1098 for 2012 showing the amount of property taxes paid from your mortgage escrow account.

**or**

- Verification Form PTR-2A.

#### Proof of Ownership

- A copy of your deed or other documentation showing your percentage of ownership if required.

### MOBILE HOME OWNERS

#### Proof of Payment

- Copy of the contract(s) or agreement(s) for 2012 from the mobile home park showing the amount of your site fees; **and**
  - Copies of cancelled checks or receipts for 2012 showing the amount of annual site fees paid; **or**
  - A signed statement from the mobile home park management showing the amount of site fees paid for 2012.

**or**

- Verification Form PTR-2B.

## Where to Send Your Application

When you have completed and signed your application, use the envelope provided in the booklet to mail the application and proof of property taxes (or mobile home park site fees) due and paid to:

NJ Division of Taxation  
Revenue Processing Center  
Property Tax Reimbursement  
PO Box 635  
Trenton, NJ 08646-0635

For information or help in completing your application, call the Property Tax Reimbursement Hotline at 1-800-882-6597 to speak to a Division of Taxation representative. Representatives are available Monday through Friday, 8:30 a.m. to 4:30 p.m. (except holidays).

## **Important Points to Remember**

1. Complete the entire application. Provide full information for **2012**.
2. You must meet the eligibility requirements for **2012**.
3. Enclose copies of your **2012** property tax bills or annual mobile home park site fees and proof of payment. (See instructions).
4. File your application on or before June 3, 2013.
5. If you meet the eligibility requirements for **2012**, you **must** file this application in order to keep your current base year.

### **Caution!!!**


**This is not an application for a homestead benefit. You must file a separate application to apply for a homestead benefit.**

## Appendix A

### 2012 Form NJ-1040 Instructions

#### Line 19 - Pensions, Annuities, and IRA Withdrawals

Pensions, annuities, and certain IRA withdrawals are taxable on the New Jersey return and must be reported on Line 19, although the taxable amount may differ from the Federal amount. (See page 23 for information on Roth IRAs.)

**TAX TIP**  If you (and/or your spouse/civil union partner if filing jointly) were 62 years of age or older or disabled and met the other requirements, you may be able to use the pension and other retirement income exclusions to reduce your gross income. See the instructions for Line 27a and Line 27b on page 26.

All state and local government, teachers', and Federal pensions, and Keogh Plans are treated in the same manner as pensions from the private sector. Amounts received as "early retirement benefits" and amounts reported as pension on Schedule NJK-1, Partnership Return Form NJ-1065 are also taxable. Social Security and Railroad Retirement benefits are exempt from New Jersey income tax and should not be reported as pension income. Pension payments received by reason of total and permanent disability are also exempt. However, if you retired before age 65 on a total and permanent disability pension and continue to receive pension payments after age 65, your disability pension is then treated as an ordinary pension. (See definition of "disabled" on page 16.)

If you are receiving a United States military pension or survivor's benefit payments, the military pension or survivor's benefit is not taxable for New Jersey gross income tax purposes, regardless of your age or disability status. Do not include such payments on Line 19, Form NJ-1040.

**Worksheet A**  
**Which Pension Method to Use**

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

**(Keep for your records)**

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

Retirement plans (pensions, annuities, IRAs) are either noncontributory or contributory. A noncontributory plan is one to which you have not made contributions. A contributory plan is one to which **you have** made contributions, usually through payroll deductions. The amount you report on Line 19 will depend on whether or not you made contributions to the plan.

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

**Contributory Plans (Other Than IRAs).** The total value of your pension or annuity consists of your contributions, your employer's contributions (if any), and earnings. In general, your contributions to a pension or annuity were taxed when they

were made and are not taxed by New Jersey when withdrawn (except for 401(k) Plans). Therefore, you must determine the taxable part of any distribution you receive. Use Worksheet A above 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 on page 23 before continuing.
- ♦ The taxable amount of an IRA withdrawal must be determined by completing Worksheet C, IRA Withdrawals, on page 24. **Do not use Worksheet A or B for an IRA withdrawal.**

**Three-Year Rule Method.** If you will recover your contributions within three years from the date you receive the first payment from the plan, and both you **and** your employer contributed to the plan, you may use the Three-Year Rule Method to determine your New Jersey taxable pension income. The Three-Year Rule allows you to exclude your pension and annuity payments from gross income until the payments you receive equal your contributions to the plan. Until that time, the amounts you receive, because they are considered your contributions, are not taxable and should

## Appendix A

### 2012 Form NJ-1040 Instructions

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

**General Rule Method.** If you will not recover your contributions within three years from the date you receive the first payment from the plan, or your employer did not contribute to the plan, you must use the General Rule Method to determine your New Jersey taxable pension income. From the first year you receive your pension and every year thereafter, part of your pension will be excludable (the amount that represents your contributions) and part will be taxable. Use Worksheet B on page 23 to determine the taxable amount.

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

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

**Lump-Sum Distributions and Rollovers.** When a lump-sum distribution of the entire balance from a qualified employee pension, annuity, profit-sharing, or other plan is made, the amount received in excess of the contributions to the plan that have already been taxed must be included in your

income in the year received. New Jersey has no provisions for income averaging of lump-sum distributions. Report the taxable amount of a lump-sum distribution on Line 19.

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

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

**1. All contributions made on or after January 1, 1984.** If all of your contributions to the 401(k) Plan were made on or after January 1, 1984, then your distributions from the plan are fully taxable 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 taxable portion of your distributions from the plan using one of the methods described under contributory plans.

#### Worksheet B General Rule Method

- |   |            |
|---|------------|
| 1. Your previously taxed contributions to the plan .....  | 1. _____   |
| 2. Expected return on contract* .....   | 2. _____   |
| 3. Percentage excludable (Divide line 1 by line 2) .....  | 3. _____ % |
| 4. Amount received this year .....  | 4. _____   |
| 5. Amount excludable (Multiply line 4 by line 3) .....  | 5. _____   |
| 6. Taxable amount (Subtract line 5 from line 4.<br>Enter here and on Line 19, Form NJ-1040) ..... | 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, *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)**



**Appendix A**  
**2012 Form NJ-1040 Instructions**

**Worksheet C - IRA Withdrawals**  
**2012**

**Part I**

1. **Value of IRA** on 12/31/12.  
Include contributions made for the tax year from 1/1/13–4/15/13 ..... 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 12/31/12.** Subtract either line 4a or 4b from line 3 ..... 5. \_\_\_\_\_
  6. Divide line 5 by line 3 and enter the result as a decimal ..... 6. \_\_\_\_\_
  7. **Taxable portion of this year's withdrawal.**  
Multiply line 2 by decimal amount on line 6.  
Enter here and on Line 19, Form NJ-1040 ..... 7. \_\_\_\_\_

**Part II—Unrecovered Contributions**

(For Second and Later Years)

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

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

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

**(Keep for your records)**

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

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

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

If, however, the withdrawal from an IRA is made over a period of years, the portion of the annual distribution

that represents interest income and accumulated gains in the IRA is subject to tax. A distribution from a rollover IRA which is fully taxable for Federal income tax purposes may be treated differently for New Jersey purposes if your contributions were subject to New Jersey income tax when the contributions were made.

Report the taxable amount of an IRA withdrawal on Line 19. Use Worksheet C on page 24 to determine the taxable portion of your IRA

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## Appendix A

### 2012 Form NJ-1040 Instructions

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withdrawal. For multiple IRAs, the taxable amount may be determined by using a separate worksheet for each IRA, or all IRAs may be combined on one worksheet.


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

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

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 19.

**TAX TIP**  **Conversions During Tax Year 2010.** If you converted an existing IRA to a rollover Roth IRA during tax year 2010 and elected to report the income in equal installments in 2011 and 2012, include on Line 19 one-half of the amount taxable for New Jersey purposes from IRAs converted to Roth IRAs in 2010.

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