

Line 41 – New Jersey Taxable Income

Subtract line 40 from line 38 and enter the result. If you did not claim a Property Tax Deduction, enter the amount from line 38.

Line 42 – Tax on Amount on Line 41

If the income on line 41 is less than \$100,000, use the Tax Table on page 52. Otherwise, calculate the tax by using the Tax Rate Schedules on page 61. Use the correct column or schedule for your filing status. Enter the tax on line 42.

Line 43 – Credit for Income Taxes Paid to Other Jurisdictions (COJ)

You may be able to claim a credit if you had income from outside New Jersey. Complete Schedule [NJ-COJ](#) to calculate the credit and enter the amount on line 43. If you complete more than one Schedule NJ-COJ, add the credits from each schedule and enter the total. The credit on line 43 cannot be more than your tax on line 42.

Enter the jurisdiction code from the following chart in the boxes provided on line 43. If you are claiming a credit

for more than one jurisdiction, use the code for “Multiple Jurisdictions.”

Jurisdiction Codes

	Code		Code		Code
Alabama	01	Maine	19	Oregon	37
Arizona	03	Maryland	20	Pennsylvania	38
Arkansas	04	Massachusetts	21	Rhode Island	39
California	05	Michigan	22	South Carolina	40
Colorado	06	Minnesota	23	Tennessee	42
Connecticut	07	Mississippi	24	Utah	44
Delaware	08	Missouri	25	Vermont	45
Georgia	10	Montana	26	Virginia	46
Hawaii	11	Nebraska	27	West Virginia	48
Idaho	12	New Hampshire	29	Wisconsin	49
Illinois	13	New Mexico	31	Dist. of Columbia	51
Indiana	14	New York	32	Philadelphia	52
Iowa	15	North Carolina	33	Other	53
Kansas	16	North Dakota	34	Multiple	
Kentucky	17	Ohio	35	Jurisdictions	99
Louisiana	18	Oklahoma	36		



Enclose Schedule NJ-COJ(s) with your return.

Schedule NJ-COJ Credit for Income or Wage Taxes Paid to Other Jurisdictions

Complete this schedule only if you had income from outside New Jersey that was taxed by another jurisdiction and subject to New Jersey Income Tax in the same tax year. The credit reduces your New Jersey tax based on the percentage of income that was taxed by other jurisdictions. It is not necessarily a dollar-for-dollar credit. You cannot take a credit for taxes paid to the U.S. Government, Puerto Rico, or any other country or territory.

Compensation From Pennsylvania. There is a Reciprocal Personal Income Tax Agreement between New Jersey and Pennsylvania. Compensation (salaries, wages, tips, fees, commissions, bonuses, and other payment for services rendered as an employee) paid to New Jersey residents employed in Pennsylvania is not subject to Pennsylvania income tax. Therefore, you cannot claim a credit for taxes paid to Pennsylvania on that type of income. However, other types of income (e.g., self-employment, gain from sale of property) are not covered by the agreement and may be eligible for the credit. The Reciprocal Agreement does not apply to the wage or income tax of Philadelphia or any other municipality in Pennsylvania.

Different Jurisdictions Tax the Same Income. You may need to complete more than one Schedule NJ-COJ. See “Same Income Taxed by More Than One Jurisdiction” on page 31.

Different Jurisdictions Tax Different Income. You must complete a separate Schedule NJ-COJ for each jurisdiction. For more information, see [GIT-3W](#), *Credit for Income Taxes Paid to Other Jurisdictions (Wage Income)*, or [GIT-3B](#), *Credit for Income Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Jurisdiction Imposes More Than One Type of Tax. You may need to complete a separate Schedule NJ-COJ for each type of tax. For more information, see [GIT-3W](#), *Credit for Income Taxes Paid to Other Jurisdictions (Wage Income)*, or [GIT-3B](#), *Credit for Income Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Property Tax Deduction/Credit (Worksheet I). If you are eligible for a Property Tax Deduction or Credit (see requirements on page 23), complete Schedule NJ-COJ, and then complete Worksheet I on page 33 to determine whether you receive a greater benefit from the Property Tax Deduction or the Property Tax Credit. If you are claiming a credit for taxes paid to another jurisdiction but you are not eligible for a Property Tax Deduction or Credit, only complete column B of Schedule NJ-COJ.

Documentation. Keep complete copies of any returns filed with other jurisdictions. You may be asked to provide the following:

- A complete copy of the income tax return filed with the other jurisdiction if one was filed or required to be filed. Include all schedules, worksheets, etc., that establish the nature and source of the income being taxed by the other jurisdiction;
- If you participated in a composite return filed in another jurisdiction, submit a statement, on the filing entity's letterhead, that lists the jurisdiction, your share of the gross income taxed by the other jurisdiction, and your share of the tax paid;
- If you do not have to file a return with the other jurisdiction, include either a W-2 that lists the wage taxes paid and the name of the taxing jurisdiction, or a statement from the business entity that filed an income-based tax return. The statement must include your share of the gross income taxed by the other jurisdiction, the name of the tax, and your share of the tax paid.

Line 1 – Income Properly Taxed by Both New Jersey and Other Jurisdiction

Only include income that meets all of the following criteria when completing line 1:

1. The income must be taxed by both New Jersey and a jurisdiction outside New Jersey, and
2. The income must have been properly taxed by the other jurisdiction, and
3. The amount of each item of income taxed by the other jurisdiction cannot be more than the amount of that item of income taxed by New Jersey, and
4. The income cannot be deemed allocated to New Jersey.

Enter the gross amount received after adjustments have been made by the other jurisdiction, but before personal exemptions and/or itemized deductions are subtracted. For an accurate income figure, first complete the tax return for the state in which you worked. Any income included on line 1 must also be included on line 2 since the income has to be taxed by both New Jersey and the other jurisdiction. Therefore, the amount on line 1 cannot be more than the amount on line 2. Also enter the name of the taxing jurisdiction in the space provided.

Do not include on line 1:

- Income that is not subject to New Jersey Income Tax (e.g., unemployment compensation);
- Income excluded or deducted in arriving at the income actually taxed in the other jurisdiction (e.g., IRA/Keogh contributions, employee business expenses, moving expenses, alimony);
- Interest, dividends, gains on sales of securities, and other income from intangible personal property (savings accounts, stocks, bonds) unless (1) the income was derived from a business, trade, or profession carried on in the other jurisdiction, or (2) you are required to file a resident return with both New Jersey and the other jurisdiction and report the income on both returns;
- Income subject to tax by a foreign country, U.S. possession, or territory;
- S corporation income allocated to New Jersey;
- Partnership income allocated to New Jersey;
- 401(k) contributions.

Same Income Taxed by More Than One Jurisdiction. If you pay tax to two jurisdictions on the same income, and the jurisdictions tax the **same** amount of income, complete only one Schedule NJ-COJ. Example: You have wages that are taxed by both city A and state B. Both the city and the state tax the full amount of your wages. Complete one Schedule NJ-COJ, reporting the full amount of wages.

However, if the jurisdictions tax **different** amounts of income, complete a separate Schedule NJ-COJ for each amount. On the first schedule, include the income amount taxed by both jurisdictions. On the second schedule, include only the difference in the two amounts. Example: You have \$150,000 in income from a business in city Y, which is in state Z. You report the entire amount on your New Jersey return. State Z taxed \$120,000 of the income and the tax on that amount was \$8,200. City Y taxed \$140,000 of the income and the tax on that amount was \$5,600. Since the two jurisdictions taxed different amounts, you must complete two Schedule NJ-COJs.

First Schedule NJ-COJ: Indicate the jurisdiction as "city Y and state Z," and enter \$120,000 on line 1. To determine the credit on that \$120,000, add together \$8,200 paid to state Z and \$4,800 paid to city Y. (\$4,800 is the tax paid on \$120,000. You cannot use the full \$5,600 since that is the tax paid on \$140,000. You can use only the tax paid on the amount of income entered on line 1.) Enter the total in box 9a, line 9. Compare the allowable credit calculated on line 8, Schedule NJ-COJ to the amount in box 9a (\$13,000). The credit is the lesser of line 8 or box 9a.

Second Schedule NJ-COJ. Indicate the jurisdiction as “city Y,” and enter \$20,000 on line 1. This amount is the difference between the total amount taxed by city Y (\$140,000) and the amount that was already included on the first Schedule NJ-COJ (\$120,000). Box 9a will be \$800, the tax paid to city Y on \$20,000 of income.

S Corporation Income. If you paid income or wage taxes to another jurisdiction on S corporation income that was also subject to New Jersey tax in the same tax year, you may be eligible for a credit. However, you **cannot** claim a credit for:

- Tax imposed by another jurisdiction on S corporation income allocated to New Jersey;
- Taxes paid or accrued on or measured by profits or income imposed on or paid on behalf of another person;
- Taxes attributable to distributions.

Income From New York. When claiming a credit for taxes paid to New York, the amount on line 1 must reflect the “New York State Amount” actually taxed by New York from the New York IT-203. Certain adjustments may be necessary to determine the income actually taxed by New York. If you are subject to the New York tax on lump-sum distributions, complete separate Schedule NJ-COJs for the ordinary income and the lump-sum distribution.

Income From Philadelphia. The amount of income taxable to Philadelphia may be different from the State wages on your W-2. Complete the following to determine the amount to enter on line 1.

A. $\frac{\text{Philadelphia Wage Tax Paid}^*}{\text{Philadelphia Wage Tax Rate}} =$ _____

B. Amount of Philadelphia wages
included on line 15, NJ-1040 _____

Enter on line 1 the lesser of A or B.

*If you filed a Philadelphia Petition for Wage Tax Refund, you must subtract your refund from the Philadelphia wage tax paid.

Information about the Philadelphia wage tax rate is available on the City of Philadelphia’s website at phila.gov.

Sole Proprietorships and Partnerships From Philadelphia. If you are a sole proprietor or partner in a partnership whose income is subject to Pennsylvania income tax and Philadelphia business income and receipts tax and net profits tax, you must consider the taxes paid (based on income) to all jurisdictions when calculating the credit. The Philadelphia business income and receipts tax imposes two taxes, one based on income and one based on gross receipts. Only the tax imposed based on income qualifies for the credit calculation.

Part-Year Residents. Enter on line 1 only the income derived from the other jurisdiction during the period of time you were a New Jersey resident. The income must be actually and properly taxed both by the other jurisdiction and New Jersey.

Line 2 – Income Subject to Tax by New Jersey

Enter the amount of income reported on line 29, Form NJ-1040.

Line 3 – Maximum Allowable Credit Percentage

Divide line 1 by line 2 and enter the percentage on line 3. Carry your results to seven decimal places, rounding up if the seventh place is 5 or more. Since line 1 cannot be more than line 2, the result will be 100% or less.

If you are not eligible to claim a Property Tax Deduction or Property Tax Credit, only complete column B.

Line 4 – Taxable Income

For each column, enter on line 4 the amount from line 38, Form NJ-1040.

Line 5 – Property Tax and Deduction

Qualified homeowners or tenants (see eligibility requirements on page 23), enter the following information:

Box 5a: Enter the amount from line 1 of Worksheet H (see page 29).

Column A (Line 5): Enter the amount from line 2 of Worksheet H.

Line 6 – New Jersey Taxable Income

For each column, subtract line 5 from line 4 and enter the result.

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."																
<input type="radio"/> Yes. The Property Tax Deduction is more beneficial for you. Make the following entries on your return.																
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><i>Form NJ-1040</i></td> <td style="width: 70%;"><i>Enter amount from:</i></td> </tr> <tr> <td>Line 40</td> <td>Line 5, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 41</td> <td>Line 6, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 42</td> <td>Line 7, Column A, Schedule NJ-COJ</td> </tr> <tr> <td>Line 43</td> <td>Line 2, Column A, Worksheet I</td> </tr> <tr> <td>Line 55</td> <td>Make no entry</td> </tr> </table>					<i>Form NJ-1040</i>	<i>Enter amount from:</i>	Line 40	Line 5, Column A, Schedule NJ-COJ	Line 41	Line 6, Column A, Schedule NJ-COJ	Line 42	Line 7, Column A, Schedule NJ-COJ	Line 43	Line 2, Column A, Worksheet I	Line 55	Make no entry
<i>Form NJ-1040</i>	<i>Enter amount from:</i>															
Line 40	Line 5, Column A, Schedule NJ-COJ															
Line 41	Line 6, Column A, Schedule NJ-COJ															
Line 42	Line 7, Column A, Schedule NJ-COJ															
Line 43	Line 2, Column A, Worksheet I															
Line 55	Make no entry															
<input type="radio"/> No. The Property Tax Credit is more beneficial for you. Make the following entries on your return.																
<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><i>Form NJ-1040</i></td> <td style="width: 70%;"><i>Enter amount from:</i></td> </tr> <tr> <td>Line 40</td> <td>Make no entry</td> </tr> <tr> <td>Line 41</td> <td>Line 6, Column B, Schedule NJ-COJ</td> </tr> <tr> <td>Line 42</td> <td>Line 7, Column B, Schedule NJ-COJ</td> </tr> <tr> <td>Line 43</td> <td>Line 2, Column B, Worksheet I</td> </tr> <tr> <td>Line 55</td> <td>\$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.) </td> </tr> </table>					<i>Form NJ-1040</i>	<i>Enter amount from:</i>	Line 40	Make no entry	Line 41	Line 6, Column B, Schedule NJ-COJ	Line 42	Line 7, Column B, Schedule NJ-COJ	Line 43	Line 2, Column B, Worksheet I	Line 55	\$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.)
<i>Form NJ-1040</i>	<i>Enter amount from:</i>															
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(Keep for your records)																

Line 7 – Tax on Line 6 Amount

For each column, enter the tax due on the income entered on line 6. Use the Tax Table on page 52 or the Tax Rate Schedules on page 61 to calculate the amount of tax due. If you are completing only column B, the amount on line 7 should be the same as the amount on line 42, Form NJ-1040.

Line 8 – Allowable Credit

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

Line 9 – Credit for Taxes Paid to Other Jurisdiction

Box 9a: Enter the income or wage tax paid to the other jurisdiction on the income shown on line 1. This amount is the total tax liability to the other jurisdiction from the other jurisdiction's tax return, or if the other jurisdiction does not require the filing of a tax return, the amount may be the taxes withheld for the jurisdiction.

If you adjusted the income on line 1 of this schedule, enter only the tax paid on the adjusted amount.

For each column, enter on line 9 the lesser of line 8 or the amount in box 9a.

If you are eligible for a Property Tax Deduction or Credit, complete Worksheet I above (part-year residents, see page 34).

If you are not eligible for a Property Tax Deduction or Credit, enter the amount from line 9, column B on line 43, Form NJ-1040. If you completed more than one NJ-COJ, enter the total of the amounts from line 9, column B. Leave lines 40 and 55 blank.

For more information, see [GIT-3W](#), *Credit for Income Taxes Paid to Other Jurisdictions (Wage Income)*, or [GIT-3B](#), *Credit for Income Taxes Paid to Other Jurisdictions (Business/Nonwage Income)*.

Part-Year Residents. You can claim a deduction or credit for property taxes or 18% of rent due and paid during the time you were a resident. When completing line 5, Worksheet I, prorate the \$50 (\$25 if you and your spouse file separate returns but maintained the same main home) based on the number of months you occupied your New Jersey residence. Compare the prorated amount to line 4, Worksheet I, and if the credit is more beneficial, enter the prorated amount on line 55, NJ-1040.

Line 44 – Balance of Tax

Subtract line 43 from line 42 and enter the result. If line 43 is blank, enter the amount from line 42.

Line 45 – Sheltered Workshop Tax Credit

Enter your Sheltered Workshop Tax Credit for the current year from Part IV, line 12 of Form [GIT-317](#).



Enclose Form GIT-317 with your return.

Part-Year Residents. Prorate your credit based on the number of months you were a New Jersey resident.

Line 46 – Gold Star Family Counseling Credit

If you are a mental health care professional who provided counseling through the Gold Star Family Counseling program, complete the following calculation to determine the amount of your credit:

1. Enter the number of hours of counseling you provided through the program
2. Enter the TRICARE rate for the service
3. Multiply line 1 by line 2.
Enter this amount on.....

Part-Year Residents. Include only the hours of counseling provided through the program while you were a New Jersey resident.

Line 47 – Credit for Employer of Organ/Bone Marrow Donor

If you are an employer who provided paid time off to an employee who missed work to donate an organ or bone marrow for transplantation, you may be able to claim a credit. The paid time off must have been in addition to any other paid time off to which the employee was entitled. If you qualify, you can take a credit of 25% of the employee's salary for up to 30 days of time missed from work for each donation.

You may be asked to provide documentation indicating that you are eligible to claim the credit, such as employee pay statements and a letter from a physician.

A list of acceptable documentation is available on our website at nj.gov/treasury/taxation/donor.shtml.

Line 48 – Total Credits

Add lines 45 through 47 and enter the total.

Line 49 – Balance of Tax After Credits

Subtract line 48 from line 44 and enter the result. If line 48 is blank, enter the amount from line 44.

Line 50 – Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases

When you buy taxable items or services to use in New Jersey, you owe Use Tax if:

- You do not pay Sales Tax; or
- You pay tax at a rate less than New Jersey's 6.625% rate.

This commonly happens when you make purchases online, by phone or mail order, or outside the State.

Use Worksheet K on page 35 to calculate the amount to report. If you do not have any Use Tax to remit, you must enter "0.00" on this line.

For more information about taxable items and services, see [S&U-4](#), *New Jersey Sales Tax Guide*. For more information about Use Tax, see publication [ANJ-7](#), *Use Tax in New Jersey*.

Line 51 – Interest on Underpayment of Estimated Tax

New Jersey Income Tax is a pay-as-you-go tax. You must pay tax on your income as you earn or receive it. If you did not pay enough tax on your income throughout the year, you may have to pay installment interest.

Installment interest may be charged if:

- Your total tax is more than \$400 (after subtracting withholdings and other credits); **and**
- You did not pay (by withholdings or estimated payments) at least 80% of your tax liability during the year.