Line 13 - Dependents’ Information

You must enter on Line 13 the full name, social security number, and year of birth for each dependent child or other dependent claimed on Lines 9 and/or 10.

You must also fill in the oval for each dependent who does not have health insurance coverage (including NJ FamilyCare/Medicaid, Medicare, private, or other health insurance) on the date you file the return. **Do not fill in the oval for any dependents who have health insurance.** This information will be transmitted to the New Jersey Department of Human Services and will be used to identify and reach out to residents who are uninsured to make them aware of the availability of health care coverage under the Medicaid and NJ FamilyCare Programs.

If you have more than four dependents, enter the required information for the first four dependents on Lines 13a - d and enclose a statement with the return listing the information for the additional dependents.

The dependents you list must be the same persons who qualify as your dependent children or other dependents for Federal income tax purposes. Enter the same social security number, individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN) for each dependent that you entered on your Federal return. If you do not provide a valid social security number, ITIN, or ATIN for a dependent claimed on Lines 9 and/or 10, the exemption will be disallowed.

To obtain an ATIN, file Form W-7A, Application for Taxpayer Identification Number for Pending U.S. Adoptions, with the Internal Revenue Service. See page 14 for information on obtaining a social security number or ITIN.

### Gubernatorial Elections Fund

The Gubernatorial Elections Fund, financed by taxpayer designated $1 contributions, provides partial public financing to qualified candidates for the office of Governor of New Jersey. With its contribution and expenditure limits, the Gubernatorial Public Financing Program has since 1977 assisted in 70 candidacies, allowing candidates to conduct their campaigns free from the improper influence of excessive campaign contributions. Operation of the program has also permitted candidates of limited financial means to run for election to the State’s highest office. As a condition of their receipt of public financing, candidates must agree to participate in two debates which provide the public with an opportunity to hear the views of each candidate. For more information on the Gubernatorial Public Financing Program, contact the New Jersey Election Law Enforcement Commission at 1-888-313-ELEC (toll-free within New Jersey) or 609-292-8700 or write to:

NJ Election Law Enforcement Commission  
PO Box 185  
Trenton NJ 08625-0185

Lists of contributors to gubernatorial candidates and copies of reports filed by gubernatorial candidates may be viewed on the Election Law Enforcement Commission website at: www.elec.state.nj.us.

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

### Income (Lines 14–25)

Gross income means all income you received in the form of money, goods, property, and services unless specifically exempt by law. As a New Jersey resident you must report all taxable income you receive, whether from New Jersey or not, on your return.

**TAX TIP** Important! A net loss in any category of income cannot be reported as such on Form NJ-1040. A loss within one category of income may be applied against other income within the same category. However, a net loss in one category of income cannot be applied against income or gains in another on Form NJ-1040. In the case of a net loss in any category, make no entry on the corresponding line. Under New Jersey law, no carryback or carryover of losses is allowed when reporting income on Form NJ-1040.

If you have income that is taxed both by New Jersey and by another jurisdiction outside New Jersey, you may be eligible for a credit against your New Jersey income tax. (See instructions for Schedule A, Credit for Income or Wage Taxes Paid to Other Jurisdiction, on page 41.)

### Line 14 - Wages, Salaries, Tips, etc.

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

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

**TAX TIP** Be sure to take the figure from the “State wages” box on your W-2s. (See sample W-2 on page 19.)

**Note:** The “State wages” figure on W-2s you received from employment outside New Jersey may need to be adjusted to reflect New Jersey tax law.

**Note:** If you qualify for the New Jersey earned income tax credit (see the instructions for Line 51) and you listed a “qualifying child” on your Federal Schedule EIC who is not claimed as your dependent for New Jersey purposes, you must enter on Line 13 the child’s name, social security number, and birth year.
All W-2s must be enclosed with your tax return. **Do not** staple W-2s to your return. If you have also paid taxes to another jurisdiction on the wages entered on this line, see page 41 for more information.

**Pension and annuity income or early retirement benefits should not be included on this line but should be reported on Lines 19a and 19b.**

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

**Meals and/or Lodging.** You may exclude from the amount reported on Line 14 meals and/or lodging reported as wages on your W-2 provided that:

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

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

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

<table>
<thead>
<tr>
<th>Gross Income</th>
<th>includes the following:</th>
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<tbody>
<tr>
<td></td>
<td>• Wages and other compensation</td>
</tr>
<tr>
<td></td>
<td>• Interest and dividends</td>
</tr>
<tr>
<td></td>
<td>• Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts</td>
</tr>
<tr>
<td></td>
<td>• Net profits from business, trade, or profession</td>
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<tr>
<td></td>
<td>• Net gains or income from sale or disposition of property</td>
</tr>
<tr>
<td></td>
<td>• Pensions, annuities, and IRA withdrawals</td>
</tr>
<tr>
<td></td>
<td>• Net distributive share of partnership income</td>
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<tr>
<td></td>
<td>• Net pro rata share of S corporation income</td>
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<tr>
<td></td>
<td>• Net rental, royalty, and copyright income</td>
</tr>
<tr>
<td></td>
<td>• Net gambling winnings, including New Jersey Lottery winnings from prize amounts exceeding $10,000</td>
</tr>
<tr>
<td></td>
<td>• Alimony</td>
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<td></td>
<td>• Estate and trust income</td>
</tr>
<tr>
<td></td>
<td>• Income in respect of a decedent</td>
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<tr>
<td></td>
<td>• Prizes and awards, including scholarships and fellowships (unless they satisfy the conditions on page 25)</td>
</tr>
<tr>
<td></td>
<td>• Value of residence provided by employer</td>
</tr>
<tr>
<td></td>
<td>• Fees for services rendered, including jury duty</td>
</tr>
</tbody>
</table>

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

• Interest from obligations of states and their political subdivisions, other than New Jersey and its political subdivisions
• Income earned by a resident from foreign employment
• Certain contributions to pensions and tax-deferred annuities
• Employee contributions to Federal Thrift Savings Funds, 403(b), 457, SEP, or any other type of retirement plan other than 401(k) Plans

**Employee Business Expenses.** Employee business expenses are **not** deductible for New Jersey income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for employee business expenses reported as wages on your W-2 provided that:

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

If you receive excludable reimbursements for employee business expenses which are included in your wages on your W-2, enclose a statement explaining the amount you are excluding and your reasons for excluding this amount. Also enclose a copy of your Federal Form 2106.

**Federal Statutory Employees.** If you are considered a “statutory employee” for Federal income tax purposes, you may not deduct your business expenses unless you are self-employed or an independent contractor under New Jersey law. The Federal label of “statutory employee” has no meaning for New Jersey income tax purposes. Business expenses may only be deducted from the business income of a self-employed individual. See the instructions for Schedule NJ-BUS-1, Part I (Net Profits From Business).

**Moving Expenses.** Moving expenses are **not** deductible for New Jersey income tax purposes. However, you may exclude from the amount reported on Line 14 reimbursements for the following moving expenses if the Federal requirements to claim moving expenses were met and the expenses were included in wages on your W-2:

1. The cost of moving your household goods and personal effects from the old home to the new home.
2. The actual expenses incurred by you for traveling, meals, and lodging when moving you and your family from your old residence to your new residence.
Exempt Income
Do not include the following income when deciding if you must file a return. These items should not appear anywhere on your form except for tax-exempt interest, which is reported on Line 15b.

- Federal Social Security
- Railroad Retirement (Tier 1 and Tier 2)
- United States military pensions and survivor’s benefit payments
- Life insurance proceeds received because of a person’s death
- Employee’s death benefits
- Permanent and total disability, including VA benefits
- Temporary disability received from the State of New Jersey or as third-party sick pay
- Workers’ Compensation
- Gifts and inheritances
- Qualifying scholarships or fellowship grants
- New Jersey Lottery winnings from prizes in the amount of $10,000 or less
- Unemployment Compensation
- Family Leave Insurance (FLI) benefits
- Interest and capital gains from: (a) Obligations of the State of New Jersey or any of its political subdivisions; or (b) Direct Federal obligations exempt under law, such as U.S. Savings Bonds and Treasury Bills, Notes, and Bonds (see Line 15b)
- Distributions paid by mutual funds to the extent the distributions are attributable to interest earned on Federal obligations
- Certain distributions from “New Jersey Qualified Investment Funds” (see Line 15b)
- Earnings on qualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts
- Employer and employee contributions to 401(k) Salary Reduction Plans (but not Federal Thrift Savings Funds)
- Some benefits received from certain employer-provided cafeteria plans (but not salary reduction or premium conversion plans). See Technical Bulletin TB-39.
- Benefits received from certain employer-provided commuter transportation benefit plans (but not salary reduction plans). See Technical Bulletin TB-24R.
- Contributions to and distributions from Archer MSAs if they are excluded for Federal income tax purposes
- Direct payments and benefits received under homeless persons assistance programs
- Homestead benefits, FAIR rebates, and NJ SAVER rebates
- Property tax reimbursements (benefits received under Senior Freeze Program)
- Income tax refunds (New Jersey, Federal, and other jurisdictions)
- New Jersey earned income tax credit payments
- Welfare
- Child support
- Amounts paid as reparations or restitution to Nazi Holocaust victims
- Assistance from a charitable organization, whether in the form of cash or property
- Cancellation of debt
- Amounts received as damages for wrongful imprisonment

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

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

Compensation for Injuries or Sickness.
Certain amounts received for personal injuries or sickness are not subject to tax. You may exclude from the amount reported on Line 14 such amounts included as wages on your W-2 provided that:

1. The payments must be compensation for wage loss which results from absence due to injury or sickness of the employee; and
2. The payments must be due and payable under an enforceable contractual obligation under the plan; and
3. The payments must not relate to sick leave wage continuation, the taking of which is largely discretionary and the payments are made regardless of the reason for absence from work.

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

Line 15a - Taxable Interest Income
Report all of your taxable interest from sources both inside and outside New Jersey on Line 15a. New Jersey taxable interest income includes interest from the following:

- Banks
- Savings and loan associations
- Credit unions
- Savings accounts
- Earnings on nonqualified withdrawals from qualified state tuition program accounts, including the New Jersey Better Educational Savings Trust Program (NJBEST) accounts