Senior Citizens Council

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The Anchor Program and Other NJ Property Tax Relief Programs For Homeowners and Renters

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New Jersey has five different property tax relief programs. Each of these programs have their own eligibility requirements, applications, processing and deadlines. Your specific circumstances will determine how many of these programs you may be eligible for. The new Anchor Program and the Property Tax Deduction/Credit on your NJ State Income Tax Return (NJ-1040) are available for both Homeowners **and** Renters.

Attached is an overview of each of New Jersey's Property Tax Relief Programs along with phone numbers and websites for help.

For those who previously applied for the 2018 Homestead Benefit Program, your credit should have appeared on your May 2022 Property Tax bills. The new Anchor Program is replacing the 2019 Homestead Benefit Credit. If eligible, in 2023 you will receive a check, not a credit. Details of how much you will get and how to apply for the new Anchor Program are included.

For those who have not yet applied for the 2021 Senior Freeze, the filing deadline is October 31, 2022. Time is running out

1. **Anchor Program**

2. **NJ State Income Tax Return: Property Tax Deduction/Credit**

3. **Senior Freeze**

4. **Veterans' Property Tax Relief**

5. **Senior Citizens Annual Property Tax Deduction**

ANCHOR PROGRAM

NOTE: The Homestead Benefit Program has been replaced by the Anchor Program. You will no longer receive a credit on your May Property Tax bills. The Anchor Program is available for eligible Homeowners AND Renters.

I <u>What Can You Get?</u> A check or direct deposit of up to $1,500 for homeowners and $450 for renters.

II <u>How To Qualify?</u>
There are no age requirements to be eligible for the Anchor Program. You do not have to be a current New Jersey resident as this program relates back to your 2019 status.

III. HOMEOWNERS

A. Eligibiity Requirements

- Owned and occupied a home in NJ that was your principal residence on October 1, 2019
- Income less than $250,000 (*Line 29 of your 2019 NJ-1040 State Income Tax return)*
- The same limits apply to single people and married couples.

B. Amount of Benefits

$1,500 If your 2019 income was $150,000 or less
$1,000 If your 2019 income was more than $150,000 but less than $250,000
Benefits cannot be more than the amount you paid in property taxes

C. How To Apply

The State has mailed ID and PIN numbers to all New Jersey Homeowners. You can file by phone or online at njtaxation.org. Certain cases require a paper application (Form Anchor-H) such as where there was a death or a sale of a home.

IV. RENTERS

A. Eligibiity Requirements

- Occupied a home in NJ that was your principal residence on October 1, 2019
- Income $150,000 or less (*Line 29 of your 2019 NJ-1040 State Income Tax return)*
- The same limits apply to single people and married couples.
- Must have been named on the lease
- Must have paid rent
- The rental unit must have had a separate kitchen and bathroom

B. Amount of Benefits

$450 If your 2019 income was $150,000 or less
Renters will not be eligible for a benefit if they lived in a tax exempt building, subsidized housing, campus housing, or there was a PILOT (Payment-in-lieu of tax) made to a municipality

C. How To Apply?

Renters may go directly online at njtaxation.org to apply and will then be issued an ID and PIN number. Renters may also apply using a paper application (Form Anchor-T)

IV. Deadlines and Help

- **<u>Filing deadline for 2019 Anchor Program is December 30, 2022</u>**
- 2019 application forms, Anchor-H and Anchor-T, are available online at njtaxation.org
- Call NJ State Anchor Hotline 1-888-238-1233 if you have questions or if you are a homeowner who hasn't received your ID and PIN numbers.

NJ STATE INCOME TAX RELIEF: PROPERTY TAX DEDUCTION/CREDIT

I. What Can You Get?

A deduction in your taxable income which means you will pay less in taxes **OR** a tax credit

For 2021

Homeowners: Deduction of property taxes paid or $15,000, whichever is less

Tenants: Deduction of 18% of rent paid during the year

OR

A tax credit of $50

II. How To Qualify? *(Eligibility requirements when filing your NJ State Income Tax)*

***A.* Residency and Ownership:**

- You lived in NJ as a homeowner or tenant during the tax year

B. Payment of property taxes:

- Your home was subject to property taxes, that were paid either as actual property taxes or through rent
- You can only deduct the amount you have paid in property taxes, up to $15,000

C. **Income Requirements:**

- Your gross income is more than $20,000 ($10,000 if filing status is single or married/CU partner, filing separate return)
- Residents with gross income of less may be eligible for a property tax credit. To claim the credit you have to file a separate form.

D. No Age Requirements

III. How To Apply?

New Jersey Resident Return NJ-1040

- If you meet the eligibility requirements, you can take either a Property Tax Deduction (Enter on Line 40) or a Property Tax Credit (Enter on Line 55) BUT NOT BOTH
- Complete Worksheet H to see if a credit or deduction is best for you

There are no income limits on this Property Tax Relief Program.
High income taxpayers will get more NJ Property Tax Relief than lower income taxpayers.

IV. Deadlines and Help

- **The Due Date for the 2021 NJ-1040 has passed**
- Amendments can be made to correct prior filings
- More information is available on the New Jersey Division of Taxation website at: www.njtaxation.org or by calling: 609-292-6400
- Specific questions relating to your personal filing should be directed to your tax preparer

SENIOR FREEZE

NOTE: The filing deadline for the 2021 Senior Freeze is October 31, 2022. Many checks have already been mailed out. If you are uncertain as to whether you have already filed you can contact the NJ State Senior Freeze Hotline at 1-800-882-6597.

I. What Can You Get?

A partial reimbursement of your past year's paid property taxes

- You get a check from the state for the difference between the property taxes you paid last year and the property taxes you paid in your **Base Year**
- **Base Year** is established when you first meet the Eligibility Requirements

II. How To Qualify? *(Eligibility Requirements for filing for 2021 reimbursement)*

A. Payment of past property taxes:

- Must have paid full amount of 2020 AND 2021 property taxes

B. Residency and Ownership

- You lived in New Jersey continuously since December 31, 2010 as either homeowner or renter
- You owned and lived in your home since December 31, 2017
- You still owned and lived in that home on December 31, 2021

C. Age/Disability

You OR your spouse must be:

- 65 or older as of December 31, 2020

  OR

- Actually receiving federal Social Security disability benefit payments (not benefit payments received on behalf of someone else)

D. Income Requirements

- Your income in 2020 must be less than $92,969
- Your income in 2021 must be less than $94,178

The same limit applies to single people and married couples. Income for the purpose of the Senior Freeze calculation includes items such as social security, pensions and 401k/IRA withdrawals

WARNING: If you become ineligible in a year (e.g. your income exceeds the limit) you will lose your BASE year and will have to reapply for a new BASE year when you again become eligible.

III. How To Apply?

A. If you are a first time filer this year:

- You need to complete and file a 2021 Form PTR-1 *along with* Form PTR-1A (your local tax collector must certify that your property taxes were paid)
- If accepted by the State, 2020 will become your **BASE** year

B. If you have previously filed for a Senior Freeze:

You need to complete a 2021 Form PTR-2 which incorporates your personal information and indicates your previously established **BASE** year. You will need to file this form along with Form PTR-2A, the certification by your local tax collector of your paid property taxes.

IV. Deadlines and Help

- **The deadline to file for 2021 Senior Freeze is October 31, 2022.**
- 2021 Form PTR-1 and PTR-2 are blue booklets also containing PTR-1A and PTR-2A forms
- **If you have not yet received your 2021 Form PTR-2 application booklet, contact the NJ Senior Freeze Hotline. For the 2021 Form PTR-1 application booklets contact the State or your local tax office. The PTR-1 and PTR-1A applications can also be downloaded.**
- For additional information, call the NJ Senior Freeze Hotline 1-800-882-6597 or go to njtaxation.org

VETERANS PROPERTY TAX RELIEF

NOTE: The Veterans Property Tax Relief Program has been extended to all veterans and their surviving spouses who qualify. Veterans no longer have to serve in an Active War Time Service Period to be eligible.

I. What Can You Get?

An annual deduction of $250 from your property taxes for veterans and their surviving spouses.

If 100% disabled, full exemption from property taxes for veterans and their surviving spouses.

Administered prospectively by your local municipality

Applications for the $250 Veterans property tax deduction are to be filed the year PRIOR to the calendar tax year in which you are seeking the deduction. To claim the deduction for calendar year 2023, the filing period with your tax assessor is October 1-December 31, 2022.

II. How To Qualify?

Eligibility requirements for filing for $250 credit for 2023

- You must have been honorably discharged
- You own the property (in whole or part) for which the deduction is claimed on October 1, 2022
- You are a legal resident in New Jersey on October 1, 2022
- No income test

Surviving spouse must file documentation of service and that when the veteran died he/she was a resident of NJ.Surviving spouse must not have remarried and must be owner and resident on 10/1/22.

Eligibility requirements for filing for 100% exemption

- You must have been honorably discharged
- You must receive determination from the Veterans Administration that you have a service-connected disability and were declared to be 100% permanently and totally disabled
- You wholly or partially own a house in New Jersey for which the exemption is claimed
- You are a legal resident of New Jersey and you occupy the house as your principal residence
- No income test

Surviving spouse must file documentation of the above and must not have remarried.

III. How To Apply?

If you are filing for the $250 tax reduction you will only need to do this once:

- Complete Form VSS • Submit with proof of honorable discharge

If you are filing for the 100% exemption:

- Complete Form DVSSE • Submit with proof of honorable discharge and confirmation of VA approval of 100% permanently and totally disabled in wartime service

The above forms & proofs must be submitted to your local municipal tax assessor for approval

IV. Deadlines and Help

If you are filing for the $250 tax reduction:

- **If you meet the above qualifications, file at your local municipal tax office**
- Form VSS is available at your local municipal tax office or online at: www.state.nj.us/treasury/taxation/pdf/other_forms/lpt/vss.pdf
- The deadline for the 2023 deduction is December 31, 2022
- For assistance in documenting veterans' status, contact NJ Dept of Military & Veterans Affairs (609) 530-6958 or (609) 530-6854; US Department of Veterans Affairs at 800-827-1000; or contact your local Veterans Group

If you are filing for the 100% exemption:

- **You may file anytime**
- Form DVSSE is available at your local municipal tax office or online at: www.state.nj.us/treasury/taxation/pdf/other_forms/lpt/dvsse.pdf

SENIOR CITIZENS ANNUAL PROPERTY TAX DEDUCTION

I. What Can You Get?

An annual deduction of $250 from your property taxes

Administered prospectively by your local municipal tax assessor.

Applications are to be filed the year PRIOR to the calendar tax year in which you are seeking the deduction. To claim a property tax deduction for calendar year 2023, the filing period with your local tax assessor is October 1-December 31, 2022.

II. How To Qualify? *(Eligibility requirements for filing for a 2023 credit)*

A. Residency and Ownership

- You must be living in the property as your principal residence on October 1, 2022
- You must be a legal resident of New Jersey since October 1, 2021

B. Age/Disability

You or your spouse must be:

- 65 or older as of December 31, 2022

  OR
- permanently & totally disabled & unable to be gainfully employed as of December 31, 2022

  OR
- You were a surviving spouse as of October 1, 2022 and have not remarried AND were 55 or more as of December 31, 2022 and at the time of your spouse's death, your spouse was receiving this deduction

C. Income Requirements

- Your annual income for 2023 will not exceed $10,000

The same limit applies to single people and married couples.

Income for the purpose of the Deduction excludes *Social Security or Federal Government Pension or State, County or Municipal Pension*

III. How To Apply?

If you are filing for the first time:

- Complete a Form PTD
- If you are filing as a disabled person, attach Physician's or Social Security Disability or NJ Commission for Blind certificate

By March 1 of the tax year after you receive the deduction, you **must** File Form PD5, the Annual Post Tax Year Income Statement

Form PD5 confirms your income for the year of the deduction AND reaffirms your eligibility from the initial PTD form.

Form PTD must be submitted to your local municipal tax assessor for approval.
Form PD5 will be mailed to you before the due date.

IV. Deadlines and Help

- **If you meet the above qualifications, file at your local municipal tax office**
- Form PTD is available from your local municipal tax assessor or online at: www.state.nj.us/treasury/taxation/pdf/other_forms/lpt/ptd.pdf
- After the first year you receive the credit, a Form PD5 will be mailed to you by your local tax collector. You must complete it and return it to the Municipal Tax Office by March 1.
- All questions should be directed to your local municipal tax office
- The deadline for the 2023 deduction is December 31, 2022