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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.

The new Anchor Program is replacing the 2019 Homestead Benefit Credit. If eligible, in May 2023 you will receive a check (or payment via direct deposit), **not** a credit on your property tax bill. 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 Anchor Program, the filing deadline has been **extended to February 28, 2023**. 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 PROPERTY TAX RELIEF PROGRAM

The NJ Homestead Benefit Program has been replaced by the Anchor Program.
Anchor rebate checks are available for both HOMEOWNERS and RENTERS.

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

II. How To Qualify?
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. Eligibility 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. Eligibility 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, or campus housing.

C. How To Apply?

Renters may go directly online at njtaxation.org to apply. Renters may also apply using a paper application (Form Anchor-T)

IV. Deadlines and Help

- **Filing deadline for 2019 Anchor Program has now been extended to February 28, 2023**
- 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. Checks will be sent out by May 2023.

For additional information go to Senior Citizens Council at njseniorcouncil.com or call 908-964-7555

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 income taxes)
OR a tax credit

For 2022

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. No Age Requirements

D. 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 the property tax credit. To claim the credit you have to file a separate form, NJ-1040-HW.

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 41) or a Property Tax Credit (Enter on Line 56) 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 2022 NJ-1040 is April 18, 2023
- Amendments can be made to correct prior filings
- Extensions can be filed
- 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 was October 31, 2022. Most checks have already been mailed out. If you are uncertain as to whether you filed you can contact the NJ State Senior Freeze Hotline at 1-800-882-6597.

The 2022 Senior Freeze has not yet been finalized. The information below assumes the rules for 2022 will be the same as they were in 2021.

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 2022 reimbursement)

A. Payment of past property taxes:

- Must have paid full amount of 2021 AND 2022 property taxes

B. Residency and Ownership

- You lived in New Jersey continuously since December 31, 2011 as either homeowner or renter
- You owned and lived in your home since December 31, 2018
- You still owned and lived in that home on December 31, 2022

C. Age/Disability

You OR your spouse must be:

- 65 or older as of December 31, 2021

OR

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

D. Income Requirements

- Your income in 2021 must be less than \$94,178
- Your income in 2022 must be less than **approximately \$102,000 (ASSUMING legislature CONFIRMS the statutory amount)**

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 will need to complete and file a 2022 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, 2021 will become your **BASE** year

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

You will need to complete a 2022 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.

C. Applications for the 2022 Senior Freeze have not yet been released

IV. Deadlines and Help

- **The deadline to file for 2022 Senior Freeze has not yet been determined.**
- 2022 Form PTR-1 and PTR-2 are blue booklets also containing PTR-1A and PTR-2A forms
- 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 was 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 was 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 was 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

- were 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 ONE of the following three categories: Social Security Benefits OR Federal Government Retirement/Disability Pension including Federal Railroad Retirement Benefits OR State, County, Municipal Government and their political subdivisions and agencies Retirement/Disability 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 was December 31, 2022