



# Coordinator's Virtual Meeting

October 28, 2020

## 2020 New Jersey Tax Updates

- Increase of the pension exclusion- **Final year** of 4-year phase in
  - \$100,000 Married Filing Joint/CU filing joint
  - \$50,000 Married Filing Separate
  - \$75,000 Single  
Head of Household  
Qualifying Widow(er)/Surviving CU Partner
  - **Income Limit is still \$100,000 or less on Line 27**
- Increase of Earned Income Tax Credit: 3-year phase in
  - 2018 35% → 37%
  - 2019 37% → 39%
  - **2020 39% → 40%**

The minimum age requirement for taxpayers with no qualifying child has changed for tax year 2020. For 2020 and forward, the age will be at least 21 years old and under 65 years old. The federal age limit hasn't changed, so preparers may need to make a manual addition in TaxSlayer.

- Medicaid Waiver/Personal Preference Payments
  - If payments are exempt federally, also exempt in New Jersey
  - If New Jersey income tax was withheld in error, the taxpayer should request the refund but may, at a later date, be asked to provide either
    - the federal return showing the wages backed out as a negative on the "Other Income line" (include an explanation) or
    - a corrected Form W-2c from the payer
- New Jersey UI, DI, FLI Income & Maximum Contribution 2020 Threshold Changes:

New Jersey Fund	Maximum Income	Maximum Contribution
<b>UI</b>	\$35,300	\$150.03
<b>DI*</b>	\$134,900	\$350.74
<b>FLI*</b>	\$134,900	\$215.84

*\*Due to significant increases in maximum income and contribution thresholds, fewer taxpayers will be able to claim credits for excess contributions to these funds.*

- Tax Rebates
  - Effective for tax year 2020, eligible taxpayers will receive a tax rebate of \$500 or less (depending on the amount of after credit taxes paid). To be eligible, the taxpayer must:
    - Have at least one qualifying child
    - Have income of \$150,000 or less (married/CU filing joint, head of household, or surviving spouse/CU partner) or \$75,000 or less (single or married/CU partner filing separately)
    - Have an after credit income tax liability greater than \$0
  - Payments are scheduled to begin July 1, 2021 for those filing by 04/15/2021. Those filing under a valid extension by 10/15/2021 should receive payment by 12/31/2021.

## Tax Impact of COVID-19

- Income Tax and Telecommuting
  - Employees who normally work outside of New Jersey but who are or were working temporarily from home in New Jersey due to COVID-19 will continue
    - To pay income tax to their normal work state
  - If the employee continues to work from home after the COVID-19 emergency ends,
    - Income is now taxable to New Jersey.
    - Employer should withhold tax for New Jersey
- Unemployment and Pandemic Relief Income is exempt from New Jersey Income Tax and includes all of the following:
  - Federal Stimulus Checks
  - Unemployment Benefits
  - Pandemic Unemployment Assistance
  - Pandemic EBT Benefits

## NJ Affordable Care Act

- Began in TY 2019
- Law requires New Jersey Residents to have health insurance or
  - meet an exemption if eligible or
  - pay a shared responsibility payment
- Shared Responsibility Payment calculated based on
  - Number of months taxpayer and dependents were uninsured
  - Household size and income
  - Average premium for bronze health plans
- Everyone is required to complete Schedule NJ-HCC
  - Only the uninsured not meeting an exemption will complete Worksheet L
- Open enrollment
  - 2021: November 1, 2020 to December 15, 2020
  - 2020: ended on December 15, 2019
- For the latest information and updates:
  - [www.nj.gov/treasury/njhealthinsurancemandate](http://www.nj.gov/treasury/njhealthinsurancemandate)

## Property Tax Relief

- Homestead Benefit
  - 2017 Benefits approved for issue in May 2021
  - 2018 No information available
- Property Tax Reimbursement
  - 2019 payments approved for issue beginning October 15, 2020 with no State Budget Payment Restrictions
  - No information about 2020 eligibility guidelines yet.

## 2020 State Tax Update Training Guidelines

Due to the pandemic, we will conduct training virtually. Here's our plan:

- We will record our presentation and send the link to each coordinator.
- Each coordinator will schedule a follow-up live Q&A session with Taxation University.
  - A trainer will be available to answer any questions and address concerns.
- To ensure that the session runs smoothly and that we address most if not all of your concerns:
  - Compile a list of questions
  - Email them to us about 48 hours prior to your scheduled session.
- Due to limits on the number of people allowed to access the presentation at one time, we ask that you
  - Forward the link to your volunteers about 7-10 days before the live Q&A session.
  - Do NOT send the link to your volunteers early; we want to
    - Avoid lock-outs due to max capacity
    - Make sure everyone is able to access the presentation at the time that is convenient for them.
- The link will remain open for the month of January 2021.

To schedule your live Q&A session, email us at [Outreach.tax@treas.nj.gov](mailto:Outreach.tax@treas.nj.gov)

- Include the following information:
  - Preferred date and time
  - Number of volunteers
  - Coordinator's contact information including mailing address

We will do our best to accommodate each request. However, to make it more likely that we'll be available on the day you prefer, reach out to us early.



**Contact Taxation University**

609-633-6015

[outreach.tax@treas.nj.gov](mailto:outreach.tax@treas.nj.gov)