



2226 Morris Avenue
Union, NJ 07083
Tel: 908-964-7555
Fax: 908-686-0509

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NJ Property Tax Relief Programs WHAT TO EXPECT

By Peter Humphreys and Ellen Steinberg

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

Last year the New Jersey State Legislature passed a bill that changed some of the requirements to receive a 2023 Senior Freeze Rebate Check. The income eligibility limit for 2022 was raised to \$150,000. For 2023 income must be below \$163,050. In addition, the ten-year residency requirement has been eliminated. Because of these changes, it is expected that many more homeowners will now qualify to receive Senior Freeze. **The 2023 Senior Freeze applications are now available and must be filed by October 31, 2024.**

Letters and applications for the 2021 Anchor Program are also now available. The program is running three years behind, so rebate checks will not go out until 2024. **The filing deadline for a 2021 Anchor rebate is November 30, 2024.**

Attached is an overview of each of New Jersey's Property Tax Relief Programs along with phone numbers and websites for help. Each program must be applied for separately.

The five NJ programs currently providing Property Tax Relief are:

- 1. Senior Freeze**
- 2. Anchor Program (formerly Homestead Benefit)**
- 3. Veterans' Credit**
- 4. Senior Citizens Annual Property Tax Deduction**
- 5. NJ State Income Tax Return: Property Tax Deduction**

A new program, **Stay NJ**, is scheduled to **begin in 2026.**

SENIOR FREEZE

NOTE: The Income Eligibility to receive a Senior Freeze Rebate has been significantly increased. Also, the ten year residency requirement has been eliminated.

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 2023 reimbursement)

A. Payment of past property taxes:

- Must have paid full amount of 2022 AND 2023 property taxes

B. Residency and Ownership

- You owned and lived in your home since December 31, 2019
- You still owned and lived in that home on December 31, 2023

C. Age/Disability

You OR your spouse must be:

- 65 or older as of December 31, 2022

OR

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

D. Income Requirements

- Your income in 2022 must be less than \$150,000
- Your income in 2023 must be less than \$163,050
- *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 2023 Form PTR-1 *along with* Form PTR-1A (your local tax collector must certify that your property taxes were paid) and proof of age (such as a copy of a drivers license)
- If accepted by the State, 2022 will become your **BASE** year

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

You will need to complete a 2023 Form PTR-2 which incorporates your personal information and indicates your previously established **BASE** year. You no longer are required to file a Form PTR-2A, the certification by your local tax collector that you have paid your property taxes.

C. 2023 Senior Freeze Applications (the blue book) for those who have previously filed (Form PTR-2) were mailed out to them in February 2024.

2023 Senior Freeze Applications (Form PTR-1 and Form PTR-1A) for first time filers are available at many local tax offices and online.

IV. Deadlines and Help

- **The deadline to file for the 2023 Senior Freeze is October 31, 2024**
- For the most up-to-date information about the 2023 Senior Freeze call NJ Senior Freeze Hotline 1-800-882-6597 or go online to: nj.gov/treasury/taxation/ptr

ANCHOR PROPERTY TAX RELIEF PROGRAM

- I What Can You Get?** A check or direct deposit of
up to **\$1,500** for homeowners and **\$450** for renters.
PLUS: Those who were **65 and older in 2021** will receive an additional **\$250**

II How To Qualify?

You do not have to be a current NJ resident as this program relates back to your 2021 status.

HOMEOWNERS

A. Eligibility Requirements

- Owned and occupied a home in NJ that was your principal residence on October 1, 2021
- Income less than \$250,000 (*Line 29 of your 2021 NJ-1040 State Income Tax return*)
- The same limits apply to single people and married couples.

B. Amount of Benefits

\$1,500 If your 2021 income was \$150,000 or less

\$1,000 If your 2021 income was more than \$150,000 but less than \$250,000

PLUS: Those who were **65 and older in 2021** will receive an additional **\$250**

Benefits cannot be more than the amount you paid in property taxes

RENTERS

A. Eligibility Requirements

- Occupied a home in NJ that was your principal residence on October 1, 2021
- Income \$150,000 or less (*Line 29 of your 2021 NJ-1040 State Income Tax return*)
- The same limits apply to single people and married couples.
- Must have been named on the lease and paid rent
- The rental unit must have had a separate kitchen and bathroom
- **Renters living in Senior Housing may be eligible**

B. Amount of Benefits

\$450 If your 2021 income was \$150,000 or less

PLUS: Those who were **65 and older in 2021** will receive an additional **\$250**

Renters will not be eligible for a benefit if they lived in a tax exempt building or campus housing.

III. How To Apply?

Unless your circumstances have changed so you no longer qualify, the Anchor Benefit will be paid automatically to those who received a 2020 Anchor Benefit in 2023. (The program is running three years behind.) Letters to this effect were sent out by the State of New Jersey in August 2024.

You will need to notify the State of any change in direct deposit information or mailing address by September 15, 2024. Mailers with PIN and ID numbers will be mailed to most people who did not receive a confirmation letter. Applications are also available online. The 2021 Anchor Program filing deadline for those who did not receive a confirmation letter is November 30, 2024.

IV. Deadlines and Help

- **Filing deadline for 2021 Anchor Program is November 30, 2024.**
- For the most up-to-date information about the 2021 Anchor Program call NJ State Anchor Hotline 1-888-238-1233 or go to nj.gov/treasury/taxation/anchor/

VETERANS CREDIT

The Veterans Property Tax Relief Program is available to all veterans and their surviving spouses who qualify. Veterans do not 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

II. How To Qualify?

Eligibility requirements for filing for \$250 credit for 2025

- You must have been honorably discharged
- You own the property (in whole or part) for which the deduction is claimed on October 1, 2024
- You are a legal resident in New Jersey on October 1, 2024
- 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 10/1/24.

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

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 meet the above qualifications, file at your local municipal tax office

If you are filing for the \$250 tax reduction:

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 2025, the filing period with your tax assessor is **October 1-December 31, 2024**. However, many local tax offices will accept applications in 2025.

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

If you are filing for the 100% exemption you may file at any time

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 2025, the filing period with your local tax assessor is October 1-December 31, 2024.

II. How To Qualify? (Eligibility requirements for filing for a 2025 credit)

A. Residency and Ownership

- You must be living in the property as your principal residence on October 1, 2024
- You must be a legal resident of New Jersey since October 1, 2023

B. Age/Disability

You or your spouse must be:

- 65 or older as of December 31, 2024

OR

- were permanently & totally disabled & unable to be gainfully employed as of December 31, 2023

OR

- You were a surviving spouse as of October 1, 2024 and have not remarried AND were 55 or more as of December 31, 2024 and at the time of your spouse's death, your spouse was receiving this deduction

C. Income Requirements

- Your annual income for 2025 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 Govt 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 2025 deduction is December 31, 2024. However, many local tax offices will accept applications in 2025.

NJ STATE INCOME TAX RELIEF: PROPERTY TAX DEDUCTION

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 2023

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 may 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 or a Property Tax Credit 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 2023 NJ-1040 was April 15, 2024. The deadline for filing under extension is October 15, 2024**
- 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: nj.gov/treasury/taxation/ or by calling: 609-292-6400.
- Specific questions relating to your personal filing should be directed to your tax preparer