



NJ-WT

New Jersey Income Tax Withholding Instructions

This Guide Contains:

- [Mandatory Electronic Filing of 1099s](#)
- [How to Calculate, Withhold, and Pay New Jersey Income Tax](#)
- [Withholding Rate Tables](#)
- [Instructions for the Employer's Reports \(Forms NJ-927 and NJ-927-W\)](#)
- [Instructions for Domestic Employer's Report \(Form NJ-927-H\)](#)
- [Form NJ-W4 \(Employee's Withholding Certificate\)](#)
- [Form NJ-W-4P \(Voluntary Withholding for Pension Income\)](#)
- [Sample Form W-2](#)
- [Withholding Requirements for Certain Construction Contractors](#)
- [Contact information for the Department of Labor and Workforce Development on Questions about New Jersey Unemployment, Disability, and Family Leave Insurance](#)
- [Penalty and Interest Guidelines and Rates](#)



Revision History

Date	Page Number(s)	Topic	Revision
June 14, 2022	4	Are You An Employer?	This revision updates guidance to refer readers to the New Jersey Department of Labor and Workforce Development instead of the IRS.
September 15, 2022	7 & 16	Compensation Paid to Election Workers	This revision adds withholding and reporting guidance for compensation paid to election workers.
September 15, 2022	7 & 16	Combat Zone Compensation	This revision clarifies that combat zone compensation is only excludable from Income Tax for members of the U.S. Armed Forces.
February 23, 2024	8 & 28	Employer Sourcing Rules	This revision adds guidance for new legislation enacted in 2023 explaining the convenience of employer sourcing for nonresidents.
February 23, 2024	21	Film and Media Content Production	This revision adds guidance regarding payment(s) made to a homeowner for the use of their personal residence in New Jersey for filming as a qualified film production expense.

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Personal Responsibility for Business Owners, Partners, and Officers

When you are required to withhold New Jersey Income Tax, you are acting as a trustee on New Jersey's behalf. If you do not withhold and pay Income Tax as required:

- You are limiting your employees/payees' ability to meet their tax responsibility; and
- You can also be held personally liable for any amounts you should have withheld.

This guide provides information to help you withhold, report, and pay New Jersey Income Tax.

Employers

Are You an Employer?

The Division of Taxation **does not** determine an employee/employer relationship for the purposes of Unemployment Insurance. The New Jersey Department of Labor and Workforce Development (DOLWD) administers the IRS [ABC Test](#) to determine whether a worker is an employee or an independent contractor.

State law requires workers to be considered employees except under certain circumstances. Those circumstances can include whether: the worker is customarily engaged in an independently established occupation; and the work is outside the usual course of the business for which the service is performed; and the worker is free from control or direction over their work performance.

DOLWD auditors and investigators use the [Worker Classification Questionnaire](#) to evaluate if an individual's relationship with the business is that of an employee or independent contractor.

If you have additional questions, review the DOLWD's [Employment Under the NJ Unemployment Compensation Law](#) informational packet, or contact the DOLWD at (609) 292-2321.

How to Get a Federal Employer Identification Number

You need a [Federal Employer Identification Number](#) (FEIN) to withhold New Jersey Income Tax. You can apply for a FEIN on the [IRS's website](#).

How to Register as a New Jersey Employer

You can register [online](#).

If you already registered your business and need to tell New Jersey you are now an employer, you can do so [online](#).

Every employer needs a [Federal Employer Identification Number](#) to register for New Jersey withholdings.

If you are a corporate entity, you will also need a [10-digit New Jersey Corporate Identification Number](#) from the Division of Revenue and Enterprise Services. If you already have a 10-digit ID number but do not remember what it is, you can use the [Business Name Search](#) or contact that Division at 609-292-9292.

Compensation Subject to Withholding

Most compensation earned in New Jersey, whether by residents or nonresidents, is subject to New Jersey withholdings.

Generally, if an item is considered employee compensation for federal Income Tax withholding, it is subject to New Jersey Income Tax withholding. Include the items listed below when [calculating](#) the withholding amount for an employee's compensation:

- Salaries
- Wages
- Tips
- Fees
- Commissions
- Bonuses
- Other remuneration received for services rendered
- Compensation paid under an accident or health insurance plan. See temporary disability benefits in the section below
- Employee contributions to retirement plans other than a 401(k) in the year they are made
- 401(k) contributions that exceed the [federal limit](#)
- Amounts an employee takes out of [cafeteria plans](#) even if the employee elects to receive benefits rather than cash
- Combat zone compensation paid to members of the Armed Forces of the United States (for Tax Year 2020 and before) even if the income was excluded federally

Compensation Not Subject to Withholding

New Jersey does not tax the following items and they should not be included in the State wage portion of your employee's W-2.

- Temporary disability benefit payments required to be made under the State Plan administered by the Bureau of State Plan Disability Law
- Temporary disability benefit payments required to be made to employees under a company's private plan
- 401(k) contributions up to the [federal limit](#)
- Life insurance proceeds paid due to death
- Worker's compensation due to personal injury or sickness
- Damages paid by suit or agreement due to personal injury, sickness, or wrongful imprisonment
- Scholarships paid by an educational institution
- Fellowship grants
- Amounts paid and used for travel, research, or equipment expenses incidental to a scholarship or research grant
- Commuter Transportation Benefits - up to [a certain limit](#)
 - Proof of payment for alternative transportation (receipts, ticket stubs, etc.) must be provided by the employee to qualify for the exclusion. For more information, see [Employee Tax Incentives for Employer-Provided Commuter Transportation Benefits](#).
- Medical Savings Account (IRC Section 220, Archer MSA) contributions excludable for federal purposes
- [Cafeteria plans](#) that require a portion of the employee's benefit dollars be used to purchase certain benefits (commonly a minimum level of medical, life insurance, and/or long-term disability coverage)

- [Cafeteria plans](#) when the employee receives cash instead of benefits if:
 - The plan does not reduce an employee's salary
 - Employee receives similar benefits from another source, e.g. a spouse's/civil union partner's coverage.
The value of the cash option is not taxable by the IRS
- Combat zone compensation paid to members of the Armed Forces of the United States (for Tax Year 2021 and after) that is excluded from federal taxable income
- Compensation for services performed by an election worker (for Tax Year 2022 and after)

Employee Residency and When to Withhold

Resident Employees Working in New Jersey

All wages and employee compensation paid to a resident working in New Jersey is subject to withholding.

If you employ New Jersey residents working in New Jersey, you must [register](#), [file](#), and [pay](#) New Jersey employer withholdings.

Residents Working in Another State

You are not obligated to withhold New Jersey Income Tax if a New Jersey resident meets all three of the following:

- Employed totally outside New Jersey;
- Subject to the withholding tax of that state; and
- The withholdings required by that state equal or exceed the withholdings required for New Jersey.

If the employee works only part of the time out of state or the other state's withholding tax rate is lower than New Jersey's, you must withhold New Jersey taxes in addition to the other state to offset the employee's resident income tax liability.

Nonresident Employees

You must withhold New Jersey tax from compensation paid to nonresident employees working in New Jersey.

If a nonresident employee works inside and outside New Jersey, only the [compensation paid for work performed in New Jersey](#) is subject to New Jersey withholding.

For tax year 2023 forward, New Jersey employers can establish a "[convenience of the employer test](#)" for nonresident income sourcing. This only applies to employees who are residents of certain states that impose a similar test. [Additional information is available.](#)

New Jersey and Pennsylvania Reciprocal Agreement

New Jersey and Pennsylvania have a [reciprocal agreement](#). You are not required to withhold on compensation paid to Pennsylvania residents working in New Jersey if they file an Employee's Certificate of Nonresidence in New Jersey ([Form NJ-165](#)). You must keep the completed Form NJ-165 in your records.

You must withhold New Jersey tax if your employee does not complete the certificate.

Similarly, a New Jersey resident working in Pennsylvania generally does not need Pennsylvania withholdings. Under the reciprocal agreement, you should withhold tax for these employees in the state in which they live, not the state in which they work.

Local Wage Taxes in Pennsylvania

The reciprocal agreement does not excuse an employer from withholding local wage taxes imposed by cities, towns, or other localities in Pennsylvania. Contact the [Pennsylvania Department of Revenue](#) for more information.

Military Personnel

Military personnel with a New Jersey home of record are subject to New Jersey withholdings unless:

- They did not maintain a permanent home in New Jersey;
- They maintained a permanent home outside New Jersey; and

- They did not spend more than 30 days in New Jersey during the taxable year

Rules for Military Spouses Working In New Jersey

[Military spouses](#) working in New Jersey are not required to have New Jersey taxes withheld from compensation paid to them for work done in the State if:

- Their spouse is a member of the armed forces present in New Jersey on military orders;
- They file [Form NJ-165](#) and a copy of their spousal military identification card with their employer.

These provisions are covered under the Service members Civil Relief Act (SCRA), as amended by the Federal Military Spouses Residency Relief Act.

Domestic Employers

If you employ a household worker, you may be considered a domestic employer. Some examples of this are nannies, caretakers, housekeepers, butlers, groundskeepers, etc. The IRS can advise you if you need to withhold federal taxes for these employees. If you do, you must also withhold New Jersey taxes. Your employee can also choose to have New Jersey taxes withheld or claim they are [exempt from the withholding requirement](#). If you determine you are a domestic employer and are required to withhold, you must [file and pay annually](#).

How to Withhold

Giving Employees Form NJ-W4

You must give Form NJ-W4 to your employees to fill out and return to you. This form tells you how to withhold tax from your employee's pay. Do not use the federal W-4 to calculate New Jersey withholdings because employees cannot claim personal exemptions on the federal form.

You should keep completed forms for your records and only submit them to the Division upon request.

Calculating the Amount of Income Tax to Withhold

Calculate the amount to withhold using:

- The [withholding tables or methods](#) in this guide;
- The rate selected by the employee on Form NJ-W4;
- The withholding exemptions from Form NJ-W4;
- The employee's filing status from Form NJ-W4;
- Any additional amount listed on line 5 of the Form NJ-W4.

Do not withhold if an employee has given you Form NJ-W4 stating they are exempt from New Jersey Income Tax withholdings for the year.

In special situations, an employer may apply to the Director of the Division of Taxation for permission to use another method. An agreement in writing may be made between the employer and employee to have additional amounts of New Jersey tax withheld.

Resident Employees Working in Multiple States

To avoid withholding too much from your employee, the amount of New Jersey Income Tax you withhold should be reduced by the amount of Income Tax you withhold for other states, their political subdivisions, or the District of Columbia.

Nonresident Employees Working in Multiple States

You are required to withhold New Jersey Income Tax from all compensation paid no matter where earned, unless you use the calculation below to determine the percentage of income earned in New Jersey or maintain current records to determine the exact amount of compensation earned from New Jersey sources.

Allocating New Jersey Income

If you are not sure what was earned in New Jersey and what was earned out of state, allocate the amount of wages that should be taxed by New Jersey using the calculation below. Use the resulting wage figure to calculate the correct withholding amount.

Days worked in New Jersey

$$\frac{\text{Total days worked in New Jersey}}{\text{Total days worked all year}} \times \text{Total wages for the year} = \text{Wages earned in New Jersey}$$

Total days worked all year

If you have a record of the exact amount of income earned from work in New Jersey, you should only withhold on that amount.

Employees Anticipating No Income Tax Liability in New Jersey

If your employees expect to earn wages below our [Income Tax filing requirements](#), they should complete Form NJ-W4 and write EXEMPT on line 6. You do not need to withhold if the employee writes EXEMPT on line 6 of Form NJ-W4.

Withholding on Supplemental Wage Payments (Bonuses, Commissions, Overtime Pay, Tips, Etc.)

If the supplemental wages are paid at the same time as regular wages:

- Total the employee's regular wage and supplemental wages and withhold at the appropriate rate based on the combined payment.

If the supplemental wages are paid at a different time:

- Withhold from the supplemental wages without any exemption allowances your employee takes on the NJ-W4.

Paying Unused Employee Benefit Time

You should treat payments of accumulated employee benefit time (such as unused sick or vacation time) as a supplemental wage payment.

Correcting Withholding Mistakes

If You Do Not Withhold Enough

If you do not withhold enough, or withhold less than what your employee requested, you should inform the employee and withhold additional tax on later payments to make up the difference. If you do not withhold the correct amount of taxes, your employees may owe money when they file their Income Tax return.

If You Withhold Too Much

If you withhold more than the amount of tax requested, you should repay the difference to the employee. Reimbursement is a matter of settlement between you and your employee. If you do not repay your employee, you should pay the full withholdings to the State in the quarter it was withheld and include the entire amount withheld on your employee's W-2.

Filing and Paying New Jersey Withholdings

Anyone withholding New Jersey Income Tax (except [domestic employers](#)) is required to file the Employer's Quarterly Report ([Form NJ-927 or NJ-927-W](#)). You must file and pay electronically.

[How often you make payments](#) depends on the amount of tax you collect per month and/or the amount of tax you collected in the prior year.

How to File and Pay Online

You must file and pay your withholdings through our [website](#), certified software or a payroll company. You will need your [12-digit FEIN](#) and 4-digit PIN we assigned to you when you [registered](#). You can also file with your 12-digit FEIN and the business name.

Quarterly Return – [Form NJ-927 or NJ-927-W](#)

All employers, except [domestic employers](#), must file a quarterly return Form NJ-927, even if there was no tax withheld for the quarter. You must submit the total of all tax withheld for the quarter (after taking credit for [monthly](#) and/or [weekly payments](#) made), electronically, by 11:59 p.m. on the 30th day of the month following the end of the quarter. If the due date falls on a weekend or holiday, Form NJ-927 is due the next business day.

Quarterly Due Dates

Period	Months in Period	Due Date
1 st Quarter	January - March	April 30
2 nd Quarter	April - June	July 30
3 rd Quarter	July - September	October 30
4 th Quarter	October - December	January 30

Seasonal Businesses

You are required to file returns for all four periods – including quarters in which you conduct no business.

Businesses with Multiple Locations

If you have multiple locations under the same FEIN, you must file combined withholding returns for all locations under one number.

Use [Form NJ-927](#) to Report

- New Jersey Gross Income Tax withheld
- Unemployment Insurance*
- Supplemental Workforce Fund*
- Workforce Development Partnership Fund*
- Family Leave Insurance*
- Disability Insurance wage and withholding information*

*Administered by the [Department of Labor and Workforce Development](#)

Monthly Payments – [Form NJ-500](#)

If you collected more than \$500 in tax withheld for the first and/or second months of the quarter, you are required to make [monthly payments](#) using Form [NJ-500](#) for those months. The third month of the quarter is always paid with the quarterly return.

Monthly Due Dates

Your monthly payment is due by 11:59 p.m. on or before the 15th day of the month following the month it was collected. You will take credit for any monthly payments made when you file that quarter's return. See chart below.

Quarter	Month	Due Date
1 st Quarter	January	February 15
	February	March 15
2 nd Quarter	April	May 15
	May	June 15
3 rd Quarter	July	August 15
	August	September 15
4 th Quarter	October	November 15
	November	December 15

Weekly Payers – [Form NJ-927-W](#)

If you had a prior year liability of \$10,000 or more of Income Tax withheld, you are designated a "weekly" payer and are required to make payments based on the frequency of your [pay period](#).

Weekly Due Dates and Guidelines

- You are required to make the withholding payments by 11:59 p.m. of the Wednesday after the pay week.
- “Weekly” payers do not necessarily make payments every week.
 - If you have a bi-weekly payroll, you would pay bi-weekly. If you have a monthly payroll, you would pay monthly.
- You are still required to file a quarterly return ([NJ-927-W](#)) by the 30th day of the month following the end of the calendar quarter.
- If you are a weekly filer, use Form [NJ-500](#) to make weekly payments.

How to File if You Are a Domestic (Household) Employer

You will report and pay Income Tax withholding and unemployment and disability insurance electronically once a year using Form [NJ-927-H](#). You must file the form by January 31 for the prior calendar year. You **do not** file quarterly returns (Forms NJ-927 or NJ-927-W) or monthly remittances (Form NJ-500).

However, if you have both household and regular employees, you will file and pay for both, using Form [NJ-927](#) or [NJ-927-W](#).

Correcting Form NJ-927, NJ-927-W, or NJ-927-H

You can make corrections to your quarterly returns by using our [online filing system](#). This will replace your original return. If you make corrections after the due date of your return, the Division may bill you for penalties and interest on any additional amount due.

Requesting a Refund

If you are overpaid in:

- The current period, you can request a refund on that quarter’s NJ-927;
- A prior period, you must amend that quarter’s NJ-927 to request a refund;
- A prior year, you must amend the NJ-927 for that quarter and your NJ-W- 3.

Penalties, Interest, and Fees

If you file or pay late, you may be charged a penalty and interest.

Late Filing Penalties

- 5% per month (or fraction of a month) of the balance of tax due at the original return due date;
 - Not exceeding 25% of tax liability;
- \$100 per month (or fraction of a month) penalty if the return is late.

Late Payment Penalty

- 5% of the balance of tax due and paid late.

Interest

- 3% above the [prime rate](#)
 - Imposed each month (or fraction of a month) on the unpaid balance of the tax from the original due date to the date of payment;
 - At the end of each calendar year, we will add the outstanding tax, penalties, and interest to your balance due. Interest is charged on the combined balance.

Collection Fees

- **Tax Bills Sent to a Collection Agency**
We add an 11% referral cost recovery fee to your balance due.
- **Certificate of Debt**
We add a cost of collection fee of 5% to 20%.

ACH Debit/Credit Payers

If you are a registered [ACH Debit/Credit](#) payer, use the codes below to specify the payment frequency.

EFT Codes

Payment Frequency	Code
Quarterly	01130
Monthly	01120
Weekly	01170

Required Date Format

If you are paying by [ACH Debit or Credit](#), you are required to use the quarter's tax period end date for all payments. Use the "year, month, last day of month" format below:

IF the quarter is...	THEN the tax period end date is...
1st	240331
2nd	240630
3rd	240930
4th	241231

For example: ABC Company, a weekly payer, has a payday on June 7, 2024, and withholds \$1,500 of New Jersey Income Tax. ABC Company must remit \$1,500 via Electronic Funds Transfer (EFT) by Wednesday, June 12, 2024. The Tax Period End Date on the EFT transaction would be "240630," and the NJ-927-W Income Tax liability and payment would be reported on the June 2024 Employer's Quarterly Report.

Form W-2 (Wage and Tax Statements for Employees)

What to Include in Box 16 of Form W-2

- State wages, tips, and compensation paid including:
 - Employee elective amounts contributed to all types of pension plans, except elective contributions to IRC section 401(k) Plans
 - Non-excludable cafeteria plan contributions
 - IRC section 129 dependent care benefits
 - IRC section 137 adoption expense benefits
- State Income Tax withheld
- The name of the State to which withholdings were paid
- Unemployment Insurance Withholding*
- Supplemental Workforce Fund*
- Workforce Development Partnership Fund*
- Disability Insurance*
 - Include private plan number for disability*
- Family Leave Insurance (FLI) Contributions*

* Administered by the Department of Labor and Workforce Development (See [Contacts.](#))

You must include a combined amount for Unemployment Insurance/Supplemental Workforce Fund/Workforce Development Partnership Fund and report separate amounts for both State Disability Insurance withheld and Family Leave Insurance.

What to Exclude from Box 16 of Form W-2

If you pay any of the categories below to your employee, do not report them in box 16 as wages. Follow [IRS guidelines](#) to determine how they are reported on a W-2.

- Proceeds of life insurance contracts payable by reason of death
- Employees' death benefits
- Amounts received under worker's compensation acts for personal injuries or sickness
- Amounts of damages received, whether by suit or agreement on account of personal injuries or sickness
- Any amount received as a scholarship at an educational institution
- Any amount received as a fellowship grant
- Any amount that is paid to a scholarship, fellowship, or research grant recipient that is used for general living expenses such as room, board, travel, etc., in excess of tuition and related expenses (fees, books and supplies.)
- Amounts received as combat zone compensation by members of the Armed Forces of the United States (for Tax Year 2021 and after) that is excluded from federal taxable income
- Compensation for services performed by a member of an election worker (for Tax Year 2022 and after)

When to Give Employees Form W-2

Employees who worked until December 31

- No later than February 15 of the following year

Employees who leave before December 31 and are not expected to return

- 30 days after the last wage payment

Employees already issued a W-2, who returned to work in the same calendar year

- Must be issued a second W-2 covering that period of employment

Filing Form W-2

You have options to file your W-2s electronically:

1. File on our website: If you are registered to withhold New Jersey Income Tax, [log into your account](#) to electronically file Forms W-2 and NJ-W-3. If you are not required to register, [create an online account](#) to file Form W-2.
2. Online Upload Service: You may [upload](#) Forms NJ-W-3, W-2, W-2G, and/or 1099 with this service. There is no limit to the number of documents you can upload at once, as long as the uploads are in the correct, [pre-specified format](#). Visit the [FAQ webpage](#) to learn more about this service and other specifications.
3. File using Axway: For those filing at least 100 forms, you can electronically file Forms NJ-W-3 and W2/1099 using our secure electronic bulk filing service provider. Visit the [E-filing services webpage](#) to learn how.
4. Third-party software users: Some accounting software programs and payroll service providers offer business owners the ability to submit W-2, 1099, and NJ-W-3 forms electronically through their software. Check with your provider to confirm if this feature is available.

Correcting or Reissuing W-2s

- **Corrected W-2s**

Issue Form W-2c to the employee if corrections are made after the original is issued. Corrected W-2s must be issued by the dates listed above. Include a copy of Form W-2c with [Form NJ-W-3](#).

- **Lost or destroyed W-2s**

Issue a substitute copy clearly marked “reissued by employer” to the employee.

- **Undeliverable W-2s**

See the IRS’s [General Instructions for Forms W-2 and W-3](#).

Form NJ-W-3 (Reconciliation of Tax Withheld)

When to File Form NJ-W-3

Anyone withholding New Jersey Income Tax must file a year-end reconciliation (Form NJ-W-3) on or before February 15 of the following year. If February 15 falls on a weekend or holiday, the due date is the next business day. If you stop paying wages during the year, you must file Form NJ-W-3 within 30 days after the last month the business was active or wages were paid.

Mandatory Electronic Filing Beginning in Tax Year 2020

Beginning with Tax Year 2020, you must submit Form NJ-W-3 and all W-2, W-2-G, and 1099 attachments *electronically*.

Small Business Owners

Some accounting software programs and payroll service providers offer small business owners the ability to submit W-2, 1099, and NJ-W3 forms electronically through their software. Check with your provider to confirm if this feature is available.

Filing Form NJ-W-3

You have options to file Forms NJ-W-3, NJ-W3-G, NJ-W-3-UNC, and attachments:

1. File on our website: [Log into your account](#) to file Form NJ-W-3. You can also enter W-2, W-2-G, and/or 1099 information.
2. Online Upload Service: You may [upload](#) Forms NJ-W-3, W-2, W-2G, and/or 1099 with this service. There is no limit to the number of documents you can upload at once, as long as the uploads are in the correct, [pre-specified format](#). Visit the [FAQ webpage](#) to learn more about this service and other specifications.
3. File using Axway: For those filing at least 100 forms, you can electronically file Forms NJ-W-3 and W2/1099 using our secure electronic bulk filing service provider. Visit the [E-filing services webpage](#) to learn how.
4. Third-party software users: Some accounting software programs and payroll service providers offer business owners the ability to submit W-2, 1099, and NJ-W-3 forms electronically through their software. Check with your provider to confirm if this feature is available.

Correcting Form NJ-W-3

- If filing a corrected W-2, W-2G, or 1099, submit an amended Form NJ-W-3 as outlined above. Include a copy of the corrected W-2s, W-2Gs, or 1099s, with the amended Form NJ-W-3.
- If filing a corrected NJ-W-3 *only*, submit an amended Form NJ-W-3. You do not need to attach the W-2s or 1099s you submitted with the original W-3.

If the correction changes the amount of tax reported and you already filed quarterly returns, you must amend each quarterly return affected by the change. See [Correcting Form NJ-927, NJ-927-W, or NJ-927-H](#).

1099 Reporting

You must provide New Jersey with copies of 1099 information returns when the amount paid or credited is \$1,000 or more in a calendar year or if any New Jersey Income Tax was withheld from the payment if you are a payer of:

- Interest and/or Dividends including:
 - Banks
 - Savings and loan associations
 - Building and loan associations
 - Savings banks
 - Fiduciaries
 - Employers
- All other interest
- Rents
- Salaries
- Wages
- Premiums
- Annuities
- Compensation
- Remuneration
- Other gains
- Profits or income
- Anyone required to file federal Form 1099 or any of the Form 1099 designations

If you issued Form 1099-R, Form 1099-MISC, or 1099-NEC with New Jersey withholdings, you must file copies of these 1099s electronically with Form NJ-W-3. For more information, see [Filing Form NJ-W-3 section](#).

Payers of Proceeds from Real Estate Transaction

If you are required to report the proceeds from real estate transactions to the IRS on federal Form 1099-S (or any other form which the Internal Revenue Code may designate), you are also required to submit all reports to the Division of Taxation if the real estate being sold or exchanged is partially or entirely located in New Jersey.

When to File Form 1099

You must file Form 1099 information returns on or before February 15 of the following year. If February 15 falls on a weekend or holiday, the due date is the next business day.

Mandatory Electronic Filing Beginning in Tax Year 2020

Beginning with Tax Year 2020, you must submit Form NJ-W-3 and all W-2, W-2-G, and 1099 attachments *electronically*.

You have [options](#) to file your 1099s electronically.

1. File on our website: If you are registered to withhold New Jersey Income Tax, [log into your account](#) to electronically file Forms NJ-W-3 and 1099. If you are not required to register, [create an online account](#) to file Form 1099.
2. Online Upload Service: You may [upload](#) Forms NJ-W-3 and 1099 with this service. There is no limit to the number of documents you can upload at once, as long as the uploads are in the correct, [pre-specified format](#). Visit the [FAQ webpage](#) to learn more about this service and other specifications.
3. File using Axway: For those filing at least 100 forms, you can electronically file Forms NJ-W-3 and W2/1099 using our secure electronic bulk filing service provider. Visit the [E-filing services webpage](#) to learn how.
4. Combined Federal/State Reporting Program: You may register with the IRS in the [Combined Federal/State Reporting Program](#) to file 1099s electronically to the IRS only. The IRS will then provide New Jersey with a copy of the 1099 information.

You may also contact the IRS Electronic Product and Services Support, Information Reporting Branch, Customer Service Section, toll-free at 1-866-455-7438 (Monday through Friday, 8:30 a.m. to 4:30 p.m.) or by email mccirp@irs.gov or by using Telecommunications Device for the Deaf (TDD) at (304) 267-3367.

The State conforms to Federal 1099 electronic filing standards outlined in IRS [Publication 1220](#).

5. Third-party software users: Some accounting software programs and payroll service providers offer business owners the ability to submit W-2, 1099, and NJ-W-3 forms electronically through their software. Check with your provider to confirm if this feature is available.

Filing Forms 1094/1095 Electronically

For guidance on electronically filing your Forms 1094/1095, visit our [website](#).

Construction Contractor Services

Individuals and businesses paying [certain contractors](#) for construction services ([capital improvement or repairs](#)) must [obtain proof of the contractor's New Jersey registration](#) or withhold 7% of the amount paid for services as Income Tax withheld.

Contractors Exempt from Withholdings

- Contractors working for any government agency.
- Contractors working for homeowners or tenants on their principal residence.
- Incorporated contractors (corporations). An incorporated contractor means a construction company taxed as a corporation for federal tax purposes.
- Unincorporated contractors that provide the property owners with a copy of their [Business Registration Certificate](#) (BRC). A BRC is the only valid proof that a business is registered with the State. Property owners must keep a copy of the construction contractor's BRC for their records.

How to Register or Get Proof of Registration

- Unregistered construction contractors can register [online](#) to receive an immediate BRC.
- Construction contractors who are already registered can get a copy of their BRC [online](#).
- Call (609) 292-9292 if you need assistance.

Filing and Paying Contractor Withholdings

Property owners who withhold tax on behalf of unregistered unincorporated construction contractors may remit their withholdings using:

- Form [NJ-927/NJ-927-W](#) (employers already registered only); or
- Form NJ-550 (non-employers).

The property owner must also:

- Issue Form 1099-MISC showing the amount withheld and;
- Electronically file an Annual Reconciliation using Schedule NJ-W-3-UNC.
 - Include copies of forms 1099-MISC with New Jersey withholdings.

Mandatory Electronic Filing Beginning in Tax Year 2020

Beginning with Tax Year 2020, you must submit Form NJ-W-3, NJ-W-3-UNC, and all W-2, W-2-G, and 1099 attachments *electronically*.

You can find additional information on withholding and remitting tax for unregistered contractors [online](#).

Film and Digital Media Content Production

As a part of the Film and Digital Media Tax Credit Program, taxpayers can benefit from certain "[qualified film production expenses](#)". These are expenses incurred in New Jersey for the production of digital media content.

Taxpayers can deduct payment(s) made to a homeowner for use of their personal residence in New Jersey for filming as a film production expense, as long as the following are met:

- The homeowner is not a vendor authorized to do business in New Jersey; and
- The taxpayer withholds 6.37% of the payment due to the homeowner as Income Tax withheld.

You must be [registered](#) to withhold New Jersey Income Tax in order to claim this expense.

If you are already registered as an employer required to withhold, you do not need to register again. You will withhold and pay your withholdings under your Federal Employer Identification Number.

Withholding From Pensions and Annuities

You are only required to withhold New Jersey Income Tax from pensions and annuities payments if requested by the recipient. We do not tax pension or annuity payments for nonresidents. Only New Jersey residents should request withholdings.

How to Obtain an Employer Identification Number

See the [How to Obtain an Employer Identification Number Section](#).

How to Register

See the [How to Register Section](#).

New Jersey Residents Requesting Withholdings on Pension and Annuity

If pension recipients want New Jersey withholdings, they must complete Form [NJ-W-4P](#) and submit it to you or the appropriate section of your company.

Calculating New Jersey Withholdings on Pension and Annuity Payments

You do not calculate withholding for pension and annuity payments. You will withhold the amount requested by recipients on the [NJ-W-4P](#). If recipients choose to have withholdings, they must have a minimum of \$10 withheld from each pension payment. There is no limit to the maximum they can have taken out, but it must be an even dollar amount.

Filing and Paying New Jersey Withholdings

See the [Filing and Paying withholdings section](#).

If you withhold from New Jersey pensions or annuities, combine the withholdings with your employee withholdings for the period and report both on your [NJ-927](#).

When to Issue [1099-Rs](#)

You must issue Form 1099-R to recipients of pension and annuity payments by January 31 of the following year. You must file Form 1099-R with Form NJ-W-3 if any New Jersey Income Tax was withheld.

Mandatory Electronic Filing Beginning in Tax Year 2020

Beginning with Tax Year 2020, you must submit Form NJ-W-3 and all W-2, W-2-G, and 1099 attachments electronically. See [Filing the NJ-W-3 section](#).

Payers of Gambling and Lottery Winnings

How to Register

See the [How to Register Section](#).

If you are already registered as an employer and are required to withhold from gambling and/or lottery winnings, you do not need to register again. You will withhold and pay your gambling/lottery withholdings under your [Federal Employer Identification Number](#).

Calculating Withholdings from Gambling and New Jersey Lottery Winnings

If you are [required to withhold federal Income Tax](#) from gambling winnings, you must [withhold New Jersey taxes](#) in an amount equal to 3% of the payments for both New Jersey residents and nonresidents.

Slot Machines, Keno, or Bingo

You do not have to withhold New Jersey Income Tax, regardless of the amount won.

Lottery Winnings of \$10,000 or Less

You do not have to withhold on New Jersey Lottery winnings of \$10,000 or less.

Lottery Winnings of \$10,001 or More

You must withhold:

- 5% for payouts between \$10,001 and \$500,000; or
- If the claimant does not provide a valid Social Security number or taxpayer identification number, you must withhold 8%; or
- 8% for payouts in excess of \$500,000.

Filing and Paying New Jersey Withholdings

See the [Filing and Paying withholdings section](#).

If you withhold from New Jersey gambling and/or lottery winnings and have employees, combine the withholdings for the period and report both on your [NJ-927](#).

Issuing Form [W-2G](#)

You are required to issue the recipient Form [W-2G](#) (Statement for Recipient of Certain Gambling Winnings) at the time winnings are paid.

Mandatory Electronic Filing Beginning in Tax Year 2020

Beginning with Tax Year 2020, you must submit Form NJ-W-3 and all W-2, W-2-G, and 1099 attachments *electronically*.

You must also complete Schedule NJ-W3-G (Schedule for Computing Amount Withheld from Employee Wages and Gambling Winnings) with Form NJ-W-3.

See our [Filing the NJ-W-3 section](#) for more detail.

Rate Tables

For all other wage amounts, see the [New Jersey Withholding Rate Tables](#). Alternately, for wages up to certain limits, you can use the [Supplemental Withholding Tables](#) to determine the withholding amount.

Which Rate Table to Use

FOR EMPLOYEES WHO COMPLETE FORM NJ-W4	
Withhold at Rate A	If Box 1 or 3 on Line 2 (Filing Status) is checked
Withhold at Rate B	If Box 2, 4 or 5 is checked and Line 3 is blank
Withhold at Rate Selected	If employee completes Line 3

Withholding Allowance Value Table

Payroll Period	One Withholding Allowance
Weekly	\$19.20
Biweekly	\$38.40
Semimonthly	\$41.60
Monthly	\$83.30
Quarterly	\$250
Semiannual	\$500
Annual	\$1,000
Daily or Miscellaneous	\$2.70

If you are calculating the Income Tax withholdings:

1. Multiply the proper withholding allowance (above table) by the number of exemptions claimed by the employee;
2. Subtract this amount from the wages for the period to determine wages subject to withholding; and
3. Refer to the [New Jersey Withholding Rate Tables](#) to determine the withholding amount.

Wage amounts may be rounded to the nearest dollar for these calculations.

Examples of Percentage Method Calculations

EXAMPLES - Percentage Method - Rate Table "A"

In the examples below single employees are paid weekly and each claims one personal withholding allowance on Form W-4 or NJ-W4.

Rate Table "A" has been selected.

	Example 1	Example 2	Example 3
(1) Total weekly wage payment	\$300.00	\$700.00	\$1,200.00
(2) Value per allowance	19.20	19.20	19.20
(3) Allowance claimed on Form W-4 or NJ-W4	1	1	1
(4) Line 2 multiplied by Line 3	19.20	19.20	19.20
(5) Amount subject to withholding (Line 1 minus Line 4)	280.80	680.80	1,180.80
(6) Amount to be withheld if amount at Line 5 is:			
(a) between \$0 and \$384 - multiply by 1.5%	4.21		
(b) between \$673 and \$769-\$11.54 plus 3.9% of amount over \$673		11.54 .30	
(c) over \$769-\$15.28 plus 6.1% of amount over \$769			15.28 25.12
Amount to withhold	\$ 4.21	\$ 11.84	\$ 40.40

EXAMPLES - Percentage Method - Rate Table "B"

In the examples below married/civil union couple employees are paid weekly and each claims three personal withholding allowances on Form W-4 or NJ-W4.

Rate Table "B" has been selected.

	Example 1	Example 2	Example 3
(1) Total weekly wage payment	\$375.00	\$950.00	\$1,400.00
(2) Value per allowance	19.20	19.20	19.20
(3) Allowance claimed on Form W-4 or NJ-W4	3	3	3
(4) Line 2 multiplied by Line 3	57.60	57.60	57.60
(5) Amount subject to withholding (Line 1 minus Line 4)	317.40	892.40	1,342.40
(6) Amount to be withheld if amount at Line 5 is:			
(a) between \$0 and \$384 - multiply by 1.5%	4.76		
(b) between \$384 and \$961-\$5.76 plus 2.0% of amount over \$384		5.76 10.17	
(c) over \$961-\$17.30 plus 2.7% of amount over \$961			17.30 10.30
Amount to withhold	\$ 4.76	\$ 15.93	\$ 27.60

Forms

Form NJ-W4

Form NJ-W4

State of New Jersey - Division of Taxation Employee's Withholding Allowance Certificate

1. SS#			2. Filing Status: (Check only one box)		
Name			1. <input type="checkbox"/> Single		
Address			2. <input type="checkbox"/> Married/Civil Union Couple Joint		
City			State	Zip	3. <input type="checkbox"/> Married/Civil Union Partner Separate
					4. <input type="checkbox"/> Head of Household
					5. <input type="checkbox"/> Qualifying Widow(er)/Surviving Civil Union Partner
3. If you have chosen to use the chart from instruction A, enter the appropriate letter here					3.
4. Total number of allowances you are claiming (see instructions)					4.
5. Additional amount you want deducted from each pay					5. \$
6. I claim exemption from withholding of NJ Gross Income Tax and I certify that I have met the conditions in the instructions of the NJ-W4. If you have met the conditions, enter "EXEMPT" here . . .					6.
7. Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate or entitled to claim exempt status.					
Employee's Signature			Date		
Employer's Name and Address			Employer Identification Number		

BASIC INSTRUCTIONS

- Line 1 Enter your name, address and social security number in the spaces provided.
- Line 2 Check the box that indicates your filing status. If you checked Box 1 (Single) or Box 3 (Married/Civil Union Partner Separate) you will be withheld at Rate A.
Note: If you have checked Box 2 (Married/Civil Union Couple Joint), Box 4 (Head of Household) or Box 5 (Qualifying Widow(er)/Surviving Civil Union Partner) and either your spouse/civil union partner works or you have more than one job or more than one source of income and the combined total of all wages is greater than \$50,000, see instruction A below. If you do not complete Line 3, you will be withheld at Rate B.
- Line 3 If you have chosen to use the wage chart below, enter the appropriate letter.
- Line 4 Enter the number of allowances you are claiming. Entering a number on this line will decrease the amount of withholding and could result in an underpayment on your return.
- Line 5 Enter the amount of additional withholdings you want deducted from each pay.
- Line 6 Enter "EXEMPT" to indicate that you are exempt from New Jersey Gross Income Tax Withholdings, if you meet one of the following conditions:
- Your filing status is **SINGLE** or **MARRIED/CIVIL UNION PARTNER SEPARATE** and your wages plus your taxable nonwage income will be \$10,000 or less for the current year.
 - Your filing status is **MARRIED/CIVIL UNION COUPLE JOINT**, and your wages combined with your spouse's/civil union partner's wages plus your taxable non wage income will be \$20,000 or less for the current year.
 - Your filing status is **HEAD OF HOUSEHOLD** or **QUALIFYING WIDOW(ER)/SURVIVING CIVIL UNION PARTNER** and your wages plus your taxable nonwage income will be \$20,000 or less for the current year.
- Your exemption is good for **ONE** year only. You must complete and submit a form each year certifying you have no New Jersey Gross Income Tax liability and claim exemption from withholding. If you have questions about eligibility, filing status, withholding rates, etc. when completing this form, call the Division of Taxation's Customer Service Center at 609-292-6400.

Instruction A - Wage Chart

This chart is designed to increase withholdings on your wages, if these wages will be taxed at a higher rate due to inclusion of other wages or income on your NJ-1040 return. **It is not intended to provide withholding for other income or wages.** If you need additional withholdings for other income or wages use Line 5 on the NJ-W4. This Wage Chart applies to taxpayers who are married/civil union couple filing jointly, heads of households or qualifying widow(er)/surviving civil union partner. **Single individuals or married/civil union partners filing separate returns do not need to use this chart.** If you have indicated filing status #2, 4 or 5 on the above NJ-W4 and your taxable income is greater than \$50,000, you should strongly consider using the Wage Chart. (See the Rate Tables on the reverse side to estimate your withholding amount).

HOW TO USE THE CHART

- 1) Find the amount of your wages in the left-hand column.
- 2) Find the amount of the total for all other wages (including your spouse's/civil union partner's wages) along the top row.
- 3) Follow along the row that contains your wages until you come to the column that contains the other wages.
- 4) This meeting point indicates the Withholding Table that best reflects your income situation.
- 5) If you have chosen this method, enter the "letter" of the withholding rate table on Line 3 of the NJ-W4.

NOTE: If your income situation substantially increases (or decreases) in the future, you should resubmit a revised NJ-W4 to your employer.

THIS FORM MAY BE REPRODUCED

		WAGE CHART										
Total of All Other Wages		0	10,001	20,001	30,001	40,001	50,001	60,001	70,001	80,001	90,001	OVER
		10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	90,000	90,000
Y O U R W A G E S	0	B	B	B	B	B	B	B	B	B	B	B
	10,000	B	B	B	B	C	C	C	C	C	C	C
	10,001	B	B	B	B	C	C	C	C	C	C	C
	20,000	B	B	B	A	A	D	D	D	D	D	D
	20,001	B	B	B	A	A	D	D	D	D	D	D
	30,000	B	B	A	A	A	A	A	E	E	E	E
	30,001	B	B	A	A	A	A	A	E	E	E	E
	40,000	B	B	A	A	A	A	A	E	E	E	E
	40,001	B	C	A	A	A	A	A	E	E	E	E
	50,000	B	C	A	A	A	A	A	E	E	E	E
50,001	B	C	D	A	A	A	A	E	E	E	E	
60,000	B	C	D	A	A	A	A	E	E	E	E	
60,001	B	C	D	A	A	E	E	E	E	E	E	
70,000	B	C	D	A	A	E	E	E	E	E	E	
70,001	B	C	D	A	A	E	E	E	E	E	E	
80,000	B	C	D	E	E	E	E	E	E	E	E	
80,001	B	C	D	E	E	E	E	E	E	E	E	
90,000	B	C	D	E	E	E	E	E	E	E	E	
over	B	C	D	E	E	E	E	E	E	E	E	
90,000	B	C	D	E	E	E	E	E	E	E	E	

Form NJ-W-4P

NJ-W-4P CERTIFICATE OF VOLUNTARY WITHHOLDING OF NEW JERSEY GROSS INCOME TAX			
(04-17)		FROM PENSION AND ANNUITY PAYMENTS	
Print Your Full Name		Your Social Security Number	
Home Address		_____ - _____	
City or Town	State	Zip Code	ID Number of Your Pension or Annuity (From Your Statement or Contact Your Payer):

<input type="checkbox"/> I want to have New Jersey Gross Income Tax withheld from this pension or annuity payment in the amount of \$ _____ .00 <i>(Enter a whole dollar amount of \$10 or more for each payment.)</i>			
<input type="checkbox"/> I want to stop withholding New Jersey Income Tax from this pension or annuity payment.			
Your Signature _____		Date _____	
MAIL THIS FORM TO YOUR PENSION OR ANNUITY PAYER			
FORM MAY BE REPRODUCED			

----- ✂ ----- cut here ----- ✂ -----

You can use Form NJ-W-4P to notify your pension payer to begin, change, or stop withholding New Jersey Income Tax from your pension or annuity payments.

Note: If you previously completed this form, do not file again unless you want to make a change.

Instructions

- Fill in your name, address, and Social Security number;
- Enter the identification number of your pension or annuity contract. If you do not find this number on your annual pension or annuity statement, ask your pension plan administrator;
- Check only one box. If you are requesting to have Income Tax withheld, you also must enter the amount you want deducted from each payment;
- Sign and date the completed form;
- **Mail this form to the payer of your pension or annuity. If you do not have the mailing address, you must contact your payer.**

For State of New Jersey retirees and benefit recipients only, visit the [New Jersey Division of Pensions and Benefits](#) for mailing information.

Form W-2

Current and year prior W-2 samples are available [online](#) in the *M-6025 W-2 Sample Reporting Guidelines*.

Contact Information

[NJ Division of Taxation](#)

Division of Taxation Customer Service Center: (609) 984-1721; or

Request to visit a [Regional Information Center](#).

[NJ Division of Revenue](#)

For employer registration questions, contact (609) 292-9292.

[NJ Department of Labor and Workforce Development](#)

New Jersey Department of Labor and Workforce Development, Division of Employer Accounts Hotline:
(609) 633-6400.

Family Leave Insurance information: (609) 292-7060.

Worker Classification Information: (609) 292-2321.