**Background: NJ-PA Reciprocity Agreement**

The NJ/PA Reciprocity Agreement does not apply to income or wage tax imposed or collected by the City of Philadelphia or other local PA jurisdictions.

**Federal Return**

* Same as usual – except for W-2(s) with Local Wages, Local Tax Paid and Local Name in blocks 18, 19 and 20, be sure to enter information on TS W-2 form
* **Note:** If PA withholding entered on W-2, see Special Topic ST19-08 NJ Resident with PA Withholding

**NJ Return**

* State Section
  + Click on Credits
  + Click on Credit for Taxes Paid to Another State
  + Select on Credit for Taxes Paid to Philadelphia or Other Jurisdiction (bottom of list)
  + Select on Credit for Taxes Paid to Philadelphia or Other Jurisdiction 1
  + At Select Other State, Select Philadelphia or Other as appropriate
  + Enter Adjusted Gross Income from other Jurisdiction generally Local Wages reported on W2, box 18
  + Enter Amount of Income Tax paid to other state, generally Local Tax Paid reported on W2, box 19
  + If more than one Jurisdiction use separate line for each
* NJ 1040
  + TaxSlayer will automatically calculate Credit for Taxes Paid other Jurisdictions, line 42 on NJ 1040 and enter Jurisdiction Code 52 for Philadelphia or 53 for Other Jurisdictions on line 42
  + TaxSlayer will also automatically create NJ Sch COJ