**For each scenario below, fill in your calculated values for:**

* **Schedule A line 5b** – Amount to claim on Schedule A line 5b Real Estate Taxes
* **Federal Schedule 1 line 8** – Amount to claim on Federal Schedule 1 line 8 Other Income
* **NJ Property Taxes** – Amount to claim on NJ 1040 for Property Taxes

Assume taxpayer meets all eligibility requirements to claim deductions and credits

Ignore possible impact of State Tax Refund Worksheet

| **SCENARIO** | **AMOUNTS TO CLAIM** |
| --- | --- |
| **Scenario 1: Homeowner** * Has not itemized over the last 5 years
* Net Taxes Billed on Tax Assessor postcard $3,595
* Property tax Veterans deduction (from taxpayer) $0
* Homestead Benefit received in current tax year $150
* PTR received in current tax year $495
* PTR base year amount $3,000
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_ Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 2: Homeowner** * Has not itemized over the last 5 years
* Net Taxes Billed on Tax Assessor postcard $6,250
* Real estate taxes paid on a vacation home $1,000
* Property tax Veterans deduction (from taxpayer) $0
* Homestead Benefit received in current tax year $270
* PTR received in current tax year $0
* PTR base year amount $0
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 3: Homeowner** * Itemized on returns from prior year and 3 years ago and claimed Real Estate Taxes on Schedule A
* Net Taxes Billed on Tax Assessor postcard $2,029
* Property tax Veterans deduction (from taxpayer) $250
* Homestead Benefit received in current tax year $75
* PTR received in current tax year $235
* PTR base year amount $1,680
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_ Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 4: Homeowner** * Itemized on returns from prior year and 3 years ago and claimed Real Estate Taxes on Schedule A
* Total Tax on Property Tax bill $7,450
* Net Tax on Property Tax bill $7,200(received $250 Veterans Deduction)
* Homestead Benefit received in current tax year $340
* PTR received in current tax year $0
* PTR base year amount $0
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_ Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 5: Homeowner** * Itemized on returns from prior year and 3 years ago and claimed Real Estate Taxes on Schedule A
* Taxes paid shown on Mortgage Stmt (1098) $6,750
* Property tax Veterans deduction $0
* Homestead Benefit received in current tax year $320
* PTR received in current tax year $420
* PTR base year amount $6,550
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_ Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 6: Homeowner** * Itemized on returns from prior year and 3 years ago and claimed Real Estate Taxes on Schedule A
* Taxes paid based on cancelled checks $5,228
* Property tax Veterans deduction (from taxpayer) $250
* Homestead Benefit received in current tax year $230
* PTR received in current tax year $0
* PTR base year $0
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on Federal Schedule 1 line 8 \_\_\_\_\_\_\_\_\_ Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 7: Tenant*** Total annual rent paid $12,000
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Scenario 8: Mobile Home Owner*** Total site fees paid $4,500
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Scenario 9: Renter and Homeowner*** Spouses owned and lived in a house from January 1 through July 31. Paid $6,000 in property taxes for this period. They then sold the house on July 31
* Spouses rented an apartment on June 1. Fixed up apartment during June and July. Moved into apartment on August 1. Paid $1,000 rent per month
 | Amount on Schedule A line 5b \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Amount on NJ 1040 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Scenario 10: Taxpayer Income under NJ Filing Threshold*** Taxpayer’s only income is Social Security and a small pension, so his gross income on NJ 1040 line 29 is $8,400
* Taxpayer is age 71
* Taxpayer owns his home. He meets all the general eligibility requirements to claim a property tax deduction/credit
 | If taxpayer is under filing threshold to file a NJ tax return, can he still claim a $50 property tax credit? \_\_\_\_\_\_\_\_\_  |
| **Scenario 11: Prior Year State Taxes on Sch A Not Capped*** Prior year NJ income taxes on Sch A..…………..$2,250
* Prior year property taxes on Sch A.……………...$3,250
* Prior year other itemized deductions…………….$4,000
* Prior year total itemized deductions……………...$9,500
* PTR received in current year for prior year………..$250
 | Proper amount of prior year property taxes \_\_\_\_\_\_\_\_\_\_Using proper amount of prior year property taxes:Total amount of state taxes \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Total amount of itemized deductions \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount to claim as Other Income in current year  \_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 12: Prior Year State Taxes on Sch A Capped*** Prior year NJ income taxes on Sch A..…………..$4,500
* Prior year property taxes on Sch A.……………...$8,000
* Prior year other itemized deductions…………….$6,500
* Prior year total itemized deductions…………....$16,500
* PTR received in current year for prior year………..$500
 | Proper amount of prior year property taxes \_\_\_\_\_\_\_\_\_\_Using proper amount of prior year property taxes:Total amount of state taxes that can be claimed \_\_\_\_\_\_\_\_\_\_\_\_\_  Total amount of itemized deductions \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount to claim as Other Income in current year  \_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 13: Prior Year State Taxes on Sch A Capped*** Prior year NJ income taxes on Sch A..…………..$5,000
* Prior year property taxes on Sch A.……………...$6,000
* Prior year other itemized deductions…………….$7,000
* Prior year total itemized deductions………….....$17,000
* PTR received in current year for prior year….…..$2,000
 | Proper amount of prior year property taxes \_\_\_\_\_\_\_\_\_\_Using proper amount of prior year property taxes:Total amount of state taxes \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Total amount of itemized deductions \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount to claim as Other Income in current year  \_\_\_\_\_\_\_\_\_\_\_\_\_\_   |
| **Scenario 14: Prior Year State Taxes on Sch A Capped*** Prior year NJ income taxes on Sch A..…………. $6,000
* Prior year property taxes on Sch A.……………...$4,500
* Prior year other itemized deductions……………. $2,500
* Prior year total itemized deductions………….... $12,500
* Prior year standard deduction…………………. $12,000
* PTR received in current year for prior year……. $1,500
 | Proper amount of prior year property taxes \_\_\_\_\_\_\_\_\_\_Using proper amount of prior year property taxes:Total amount of state taxes \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Total amount of itemized deductions \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount to claim as Other Income in current year  \_\_\_\_\_\_\_\_\_\_\_\_\_\_  |