



THIRD DISTRICT'S MONTHLY UPDATE FROM TRENTON
SEN. SWEENEY, ASM. BURZICHELLI, ASM. TALIAFERRO

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Income Tax Exemption for Veterans Available for 2017 Tax Year



Senate President Steve Sweeney, Assembly Deputy Speaker John Burzichelli, and Assemblyman Adam Taliaferro are encouraging residents to learn more about the newly-implemented \$3,000 income tax exemption for veterans.

In the fall of 2016, the State of New Jersey approved a \$3,000 income tax exemption for veterans beginning in the 2017 tax year. The exemption applies to military veterans who were honorably discharged or released under honorable circumstances from active duty on or before the last day of the tax year. All honorably discharged veterans and active duty military personnel qualify for the exemption, regardless of age, income, or when and where they served.

The first time a veteran claims the exemption, they must provide official documentation indicating that they were honorably discharged or released under honorable circumstances. Acceptable documents include a Certificate of Release or Discharge from Active Duty, DD-214. The United States National Archives and Records Administration can assist veterans in obtaining a copy of their DD-214.

When filing their paper tax returns, veterans must mark the oval indicating that they are taking the exemption. Resident and non-resident veterans who normally file their Income Tax return electronically should automatically pre-certify for this exemption; the Division of Taxation has pre-certified nearly one-third of New Jersey's eligible veterans.

A veteran's spouse or civil union partner can also claim the deduction if they are a military veteran, but the exemption cannot be claimed for domestic partners or dependents and does not pass through to a surviving spouse. However, a taxpayer whose spouse died during the tax year may claim their deceased spouse's exemption if they file a joint tax return, given they did not remarry by December 31 of the tax year, and they were not divorced or legally separated from the spouse at the time of death.

For information, please visit: www.state.nj.us/treasury/taxation/military/vetexemption.shtml

ABLE Accounts Will Benefit Families of Individuals with Disabilities

Residents of our state will have the option of setting-up ABLE (Achieving a Better Life Experience) Accounts in the near future. These tax-advantaged savings accounts are intended to encourage and assist individuals with disabilities and their families to save private funds to supplement benefits provided through private insurance, Medicaid, supplemental security income (SSI), employment, and other sources.

Most individuals with disabilities depend on Medicaid to access disability related services needed to maintain health, independence, and quality of life. Establishing an ABLE account allows beneficiaries to save money for disability-related expenses while maintaining eligibility for Federal benefit programs. Money saved in an ABLE account will not affect an individual's eligibility for SSI (up to \$100,000) and will allow the beneficiary to maintain eligibility for Medicaid and other public benefits.

"As parents, we should be able to have the peace of mind that our children will be taken care of even after we are gone," said Senator Sweeney. "I sponsored this law so parents can be assured that their child's financial needs are secure."

Guidelines for the program are being finalized by the New Jersey Division of Developmental Disabilities.