

# IT-R

Inheritance Tax  
Resident Return  
(10-09)



## Transfer Inheritance And Estate Tax

New Jersey Division of Taxation  
PO Box 249  
Trenton, New Jersey 08695-0249

(609) 292-5033

**INTRODUCTION**  
**NEW JERSEY TRANSFER INHERITANCE TAX - ESTATE TAX**

**GENERAL**

New Jersey has had a Transfer Inheritance Tax since 1892 when a 5% tax was imposed on property transferred from a decedent to a beneficiary. Currently, the law imposes a graduated Transfer Inheritance Tax ranging from 11% to 16% on the transfer of real and personal property with a value of \$500.00 or more to certain beneficiaries.

The Transfer Inheritance Tax recognizes five beneficiary classes, as follows:

**Class "A"** - Father, mother, grandparents, spouse/civil union partner (after 2/19/07), domestic partner (after 7/10/04), child or children of the decedent, adopted child or children of the decedent, issue of any child or legally adopted child of the decedent and step-child of the decedent.

**Class "B"** - Eliminated by statute effective July 1, 1963.

**Class "C"** - Brother or sister of the decedent, including half brother and half sister, wife/civil union partner (after 2/19/07) or widow/surviving civil union partner (after 2/19/07) of a son of the decedent, or husband/civil union partner (after 2/19/07) or widower/surviving civil union partner (after 2/19/07) of a daughter of the decedent.

**Class "D"** - Every other transferee, distributee or beneficiary who is not included in Classes "A", "C" or "E".

**Class "E"** - The State of New Jersey or any political subdivision thereof, or any educational institution, church, hospital, orphan asylum, public library or Bible and tract society or to, for the use of or in trust for religious, charitable, benevolent, scientific, literary or educational purposes, including any institution instructing the blind in the use of dogs as guides, no part of the net earnings of which inures to the benefit of any private stockholder or other individual or corporation; provided, that the exemption does not extend to transfers of property to such educational institutions and organizations of other states, the District of Columbia, territories and foreign countries which do not grant an equal, and like exemption on transfers of property for the benefit of such institutions and organizations of this State.

**NOTES:** If any beneficiary is claimed to be the mutually acknowledged child of the decedent, said claim should be set forth in the detailed manner prescribed under N.J.A.C. 18:26-2.6.

For the purposes of the New Jersey Transfer Inheritance Tax an adopted child is accorded the same status as a natural child and, therefore, his relations are treated in the same manner as those of a natural child. (i.e. if the decedent's adopted son marries/enters into a civil union, his spouse/civil union partner is "the wife/civil union partner of a son of the decedent" and therefore a class "C" beneficiary).

The offspring of a biological parent conceived by the artificial insemination of that parent who is a partner in a civil union is presumed to be the child of the non-biological partner. In the Matter of the Parentage of the Child of Kimberly Robinson, 383 N.J. Super. 165; 890 A.2d 1036 (Ch. Div. 2005) (Non-biological parent of New York registered domestic partnership recognized in New Jersey, presumed to be the biological parent of child conceived by the other partner through artificial insemination where the non-biological partner has "show[n] indicia of commitment to be a spouse and to be a parent to the child.").

A devise of real property to a husband and wife/civil union partner as "tenants by the entirety" provides each with a vested life estate, the remainder being contingent. See N.J.A.C. 18:26-8.12.

The issue of stepchildren ARE Class "D" (NOT Class "A") beneficiaries.

The following ARE Class "D" (NOT Class "C") beneficiaries: stepbrother or stepsister of the decedent, husband/wife/civil union partner/domestic partner or widow/widower/surviving civil union partner/surviving domestic partner of a stepchild or mutually acknowledged child of the decedent.

The fact that a beneficiary may be considered "nonprofit" by the Internal Revenue Service does not necessarily mean that it qualifies for exemption as a Class "E" beneficiary since the criteria are different.

**TAX RATES**

Each class of beneficiary has its own separate tax rate. See the Rate Schedule on Page 4.

**EXEMPTIONS**

1. The transfer of real and personal property in this State held by a husband and wife/civil union couple as "tenants by the entirety" to the surviving spouse/civil union partner is not taxable for New Jersey Inheritance Tax purposes.
2. The transfer of intangible personal property such as stocks, bonds, corporate securities, bank deposits and mortgages owned by a nonresident decedent is not subject to the New Jersey Inheritance Tax.
3. Any sum recovered under the New Jersey Death Act as compensation for wrongful death of a decedent is not subject to the New Jersey Inheritance Tax except as provided below:
  - a. Any sum recovered under the New Jersey Death Act representing damages sustained by a decedent between the date of injury and date of death, such as the expenses of care, nursing, medical attendance, hospital and other charges incident to the injury, including loss of earnings and pain and suffering are to be included in the decedent's estate.
  - b. Where an action is instituted under the New Jersey Death Act and terminates through the settlement by a compromise payment without designating the amount to be paid under each count, the amount which must be included in the inheritance tax return is an amount, to the extent recovered, which is equal to specific expenses related to the injury. These expenses are similar to those mentioned in sections a. above and include funeral expenses, hospitalization and medical expenses, and other expenses incident to the injury. Any amount which is recovered in excess of these expenses is considered to be exempt from the tax.
4. The proceeds of any contract of insurance insuring the life of a resident or nonresident decedent paid or payable, by reason of the death of such decedent, to one or more named beneficiaries other than the estate, executor or administrator of such decedent are exempt for New Jersey Inheritance Tax purposes.

5. The transfer of property to a beneficiary or beneficiaries of a trust created during the lifetime of a resident or nonresident decedent, to the extent such property results from the proceeds of any contract of insurance, insuring the life of such decedent and paid or payable to a trustee or trustees of such decedent by reason of the death of such decedent, is exempt from the New Jersey Inheritance Tax irrespective of whether such beneficiary or beneficiaries have a present, future, vested, contingent or defeasible interest in such trust.
6. The transfer of life insurance proceeds insuring the life of a resident or nonresident decedent, paid or payable by reason of the death of such decedent to a trustee or trustees of a trust created by such decedent during his lifetime for the benefit of one or more beneficiaries irrespective of whether such beneficiaries have a present, future, vested, contingent or defeasible interest in such trust, is exempt from the New Jersey Inheritance Tax.
7. The transfer, relinquishment, surrender or exercise at any time or times by a resident or nonresident of this State, of any right to nominate or change the beneficiary or beneficiaries of any contract of insurance insuring the life of such resident or nonresident, regardless of when such transfer, relinquishment, surrender or exercise of such right occurred, is exempt from the tax.
8. Any amount recovered (under the Federal Liability for Injuries to Employees Act) for injuries to a decedent by the personal representative for the benefit of the classes of beneficiaries designated in that Statute, whether for the pecuniary loss sustained by such beneficiaries as a result of the wrongful death of the decedent or for the loss and suffering by the decedent while he lived, or both is not subject to the Inheritance Tax.

Any amount recovered by the legal representatives of any decedent by reason of any war risk insurance certificate or policy, either term or converted, or any adjusted service certificate issued by the United States, whether received directly from the United States or through any intervening estate or estates, is exempt from the New Jersey Inheritance Tax.

This exemption does not entitle any person to a refund of any tax heretofore paid on the transfer of property of the nature aforementioned; and does not extend to that part of the estate of any decedent composed of property, when such property was received by the decedent before death.

9. The proceeds of any pension, annuity, retirement allowance, return of contributions or benefit payable by the Government of the United States pursuant to the Civil Service Retirement Act, Retired Serviceman's Family Protection Plan and the Survivor Benefit Plan to a beneficiary or beneficiaries other than the estate or the executor or administrator of a decedent are exempt.
10. All payments at death under the Teachers Pension and Annuity Fund, the Public Employees' Retirement System for New Jersey, and the Police and Firemen's Retirement System of New Jersey, and such other State, county and municipal systems as may have a tax exemption clause as broad as that of the three major State systems aforementioned, whether such payments either before or after retirement are made on death to

the employee's estate or to his specifically designated beneficiary, are exempt from the New Jersey Inheritance Tax.

The benefit payable under the supplementary annuity plan of the State of New Jersey is not considered a benefit of the Public Employee's Retirement System and is taxable whether paid to a designated beneficiary or to the estate.

The death benefits paid by the Social Security Administration or railroad Retirement Board to the spouse of a decedent are also exempt. For purposes of filing a return these amounts need not be reported nor are they to be deducted from the amount claimed as a deduction for funeral expenses.

In all other cases the death benefit involved should either be reported as an asset of the estate or deducted from the amount claimed for funeral expenses.

11. Other pensions. An exemption is provided for payments from any pension, annuity, retirement allowance or return of contributions, which is a direct result of the decedent's employment under a qualified plan as defined by section 401(a), (b), and (c) or 2039(c) of the Internal Revenue Code, which is payable to a surviving spouse or domestic partner.
12. No Fault Insurance. The amount payable by reason of medical expenses incurred as a result of personal injury to the decedent should be reflected by reducing the amount claimed for medical expenses as a result of the accident.

The amount payable at the death of an income producer as a result of injuries sustained in an accident, which are paid to the estate of the income producer, is reportable for taxation. In all other instances this amount is exempt.

The amount paid at death to any person under the essential services benefits section is exempt from taxation.

The claim for funeral expense is to be reduced by the amount paid under the funeral expenses benefits section of the law.

#### **SAFE DEPOSIT BOXES**

Safe deposit boxes are no longer inventoried by the New Jersey Division of Taxation. On September 30, 1992, the Division issued a blanket release in the form of a letter from the Director, Division of Taxation, to all banking institutions, safe deposit companies, trust companies, and other institutions which serve as custodians of safe deposit boxes. The contents of the boxes may be released without inspection by the Division.

#### **WHERE TO FILE**

All returns except the L-8 are to be filed with the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 50 Barrack Street, PO Box 249, Trenton, New Jersey 08695-0249.

#### **WHEN TAX RETURNS ARE DUE**

A Transfer Inheritance Tax Return must be filed and the tax paid on the transfer of real and personal property within eight months after the death of either:

A RESIDENT decedent for the transfer of real or tangible personal property located in New Jersey or intangible personal property wherever situated, or

A NONRESIDENT decedent for the transfer of real or tangible personal property located in New Jersey. No tax is imposed on nonresident decedents for real property located outside of New Jersey and intangible personal property wherever situated.

The return must be filed whenever any tax is due or a waiver is needed. The tax is a lien on all property for fifteen years unless paid sooner or secured by an acceptable bond. Interest accrues on unpaid taxes at the rate of 10% per annum.

For EXEMPTIONS see the heading "EXCEPTIONS" below.**AMENDMENTS TO AN ORIGINAL RETURN**

In the case of both resident and non-resident estates, any assets and/or liabilities not disclosed in the original return and all supplemental data requested by the Division is to be filed in affidavit form and attested to by the duly authorized statutory representative of the estate, next of kin, or beneficiary certifying in detail a description of the asset, real or personal and/or the liability and the reasons for failure to disclose same in the original return and filed directly with the NJ Transfer Inheritance.

### **ESTATE TAX**

In addition to the inheritance tax, the State of New Jersey imposes an estate tax on the estate of certain resident decedents. Even estates that are partially or fully exempt from the inheritance tax may be subject to the New Jersey Estate Tax.

A New Jersey Estate Tax Return must be filed when the gross estate plus adjusted taxable gifts as determined in accordance with the provisions of the Internal Revenue Code in effect on December 31, 2001, exceeds \$675,000.

The law requires that a copy of the Federal Estate Tax return be filed with the Division within thirty days after the filing of the original with the Federal Government. Also, the Division must be supplied with copies of all communications from the Federal Government making final changes or confirming, increasing or decreasing the tax shown to be due. Instructions are contained in form IT-Estate.

### **WAIVERS**

Bank accounts, certificates of deposit etc., in the name of, or belonging to a RESIDENT decedent, in financial institutions located in this state, cannot be transferred without the written consent of the Division of Taxation. This consent is referred to as a WAIVER.

Stocks and bonds etc., in the name of, or belonging to a RESIDENT decedent, of corporations organized under the laws of this state are subject to the same waiver requirements.

Real property, located in New Jersey, in the name of, or belonging to a RESIDENT or a NON-RESIDENT decedent is subject to the same waiver requirements, however, real property held by a husband and wife/civil union couple as "tenants by the

entirety" in the estate of the spouse/civil union partner dying first need not be reported, regardless of the date of death and waivers are not required.

A membership certificate or stock in a cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a RESIDENT decedent.

Waivers are not required for automobiles, household goods, personal effects, accrued wages or mortgages, but these items must be reported in the return filed.

### **EXCEPTIONS**

Notwithstanding the waiver provisions above any financial institution may release up to 50% of any bank account, certificate of deposit etc. to the survivor, in the case of a joint account, the executor, administrator or other legal representative of a RESIDENT decedent's estate. This procedure is referred to as a BLANKET WAIVER. This procedure is not available for the transfer of stocks and bonds. For a detailed explanation see N.J.A.C. 18:26-11.16.

A SELF EXECUTING WAIVER, FORM L-8, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents.

Use of this form MAY eliminate the need to file a formal Inheritance Tax return. Your attention is directed to the instructions contained in the body of the L-8, a copy of which is included in this booklet. (Not included in IT-R Schedule Booklet.)

This form is to be filed with the financial institution which will then be authorized to release the subject asset without the necessity of receiving a waiver from the Division. DO NOT file this form with the Division.

A REQUEST FOR A REAL PROPERTY TAX WAIVER, FORM L-9, has been created for Class "A" beneficiaries in the estates of RESIDENT decedents. This form may be used in two instances where property passes to class "A" beneficiaries.

Use of this form MAY eliminate the need to file a formal Inheritance Tax Return. Your attention is directed to the instructions contained in the body of the L-9.

This form is to be filed directly with the Branch. If the form is in order the necessary waiver/waivers will be promptly issued.

NEITHER THE L-8 NOR THE L-9 may be used where it is claimed that a relationship of mutually acknowledged child exists.

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### **IMPORTANT REMINDERS**

- If the decedent died TESTATE you must supply a legible copy of the LAST WILL AND TESTAMENT, all CODICILS thereto and any SEPARATE WRITINGS.
- A copy of the decedent's last full year's FEDERAL INCOME TAX RETURN is required.
- All returns, forms and correspondence must contain the decedent's SOCIAL SECURITY NUMBER.
- PAYMENTS ON ACCOUNT may be made to avoid the accrual of interest. (Form IT-EP)
- If PAYMENTS are not made by CERTIFIED CHECK the issuance of waivers may be delayed.
- All CHECKS should be made payable to NJ INHERITANCE AND ESTATE TAX and sent to the New Jersey Division of Taxation, Individual Tax Audit Branch, Transfer Inheritance and Estate Tax, 50 Barrack Street, PO Box 249, Trenton, NJ 08695-0249.

# IT-R

Inheritance Tax  
SCHEDULES  
(10-09)

## **SCHEDULES**

### **Transfer Inheritance And Estate Tax**

**New Jersey Division of Taxation  
PO Box 249  
Trenton, New Jersey 08695-0249**

**(609) 292-5033**

**CLASS "A" TRANSFEREES ARE ENTIRELY EXEMPT  
IN ESTATES OF DECEDENTS DYING ON OR AFTER JULY 1, 1988**

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**Class "C" TRANSFEREES IN ESTATES OF DECEDENTS  
DYING ON OR AFTER 7/1/88**

|       |           |        |
|-------|-----------|--------|
| First | \$ 25,000 | Exempt |
| Next  | 1,075,000 | 11%    |
| Next  | 300,000   | 13%    |
| Next  | 300,000   | 14%    |
| Over  | 1,700,000 | 16%    |

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**CLASS "D" TRANSFEREES IN ESTATES OF DECEDENTS  
DYING ON OR AFTER 3-29-62**

|  |           |     |
|--|-----------|-----|
| If less than \$500: no tax<br>If \$500 or more: no exemption |           |     |
| First  | \$700,000 | 15% |
| Over   | \$700,000 | 16% |



STATE OF NEW JERSEY  
Inheritance Tax Return  
**RESIDENT DECEDENT**  
(Instructions on reverse side)

(67) For Division Use Only

Decedent's Name \_\_\_\_\_ (Last) \_\_\_\_\_ (First) \_\_\_\_\_ (Middle) Decedent's S.S. No. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Date of Death (mm/dd/yy) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ County of Residence \_\_\_\_\_ Testate  Intestate

**Authorized Representative** Name \_\_\_\_\_ Daytime Phone ( ) \_\_\_\_\_  
**to receive all**  
**correspondence** Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

|   |  |    |  |  |
|---|--|----|--|--|
| 1. Real Property  | Total carried forward from - <b>Schedule A</b>                   | 1. |  |  |
| 2. Closely Held "Businesses"  | Total carried forward from - <b>Schedule B</b>                   | 2. |  |  |
| 3. All Other Personal Property  | Total carried forward from - <b>Schedule B(1) Recapitulation</b> | 3. |  |  |
| 4. Transfers  | Total carried forward from - <b>Schedule C</b>                   | 4. |  |  |
| 5. Gross Estate   | Total Lines 1 thru 4   | 5. |  |  |
| 6. Deductions   | Total carried forward from - <b>Schedule D</b>                   | 6. |  |  |
| 7. Net Estate   | Total - Line 5, minus Line 6 (If less than zero enter "0")       | 7. |  |  |
| 8. Contingent Amount Included in Line 7 (See explanation on reverse side) |  | 8. |  |  |

9. Balance of Estate (Line 7, minus Line 8)

| Class                              | Number of Beneficiaries | Total            | Exempt           | Taxable          |     |
|------------------------------------|-------------------------|------------------|------------------|------------------|-----|
| 10. A (Spouse/Civil Union Partner) |                         | \$ _____ / _____ | \$ _____ / _____ | \$ _____ / _____ | 10. |
| 11. A (Other)                      |                         | \$ _____ / _____ | \$ _____ / _____ | \$ _____ / _____ | 11. |
| 12. C                              |                         | \$ _____ / _____ | \$ _____ / _____ | \$ _____ / _____ | 12. |
| 13. D                              |                         | \$ _____ / _____ | \$ _____ / _____ | \$ _____ / _____ | 13. |
| 14. E                              |                         | \$ _____ / _____ | \$ _____ / _____ | \$ _____ / _____ | 14. |

|  |     |  |  |
|--|-----|--|--|
| 15. Compromise Tax Due on Line 8 Amount (See explanation on reverse side)                    | 15. |  |  |
| 16. Contingent Tax (See explanation on reverse side)   | 16. |  |  |
| 17. Total Tax Due (Total - Line 10 thru Line 16)   | 17. |  |  |
| 18. Interest Due (If applicable) (See explanation on reverse side)                           | 18. |  |  |
| 19. Total Amount Due (Line 17, Plus Line 18)   | 19. |  |  |
| 20. Payment on Account (If applicable)   | 20. |  |  |
| 21. If Line 20 (Payments) is LESS THAN Line 19, Enter <b>BALANCE DUE - PAY THIS AMOUNT</b> → | 21. |  |  |
| 22. If Line 20 (Payments) is MORE THAN Line 19, Enter <b>REFUND AMOUNT</b>                   | 22. |  |  |

23. Are any questions in Schedule "C" answered yes? 23. Yes  No

24. Have or will you file or are you required to file a Federal Estate Tax Return? 24. Yes  No

25. Has or will any disclaimer been filed? If so, attach copy 25. Yes  No

26. If the decedent died after December 31, 2001, did the decedent's taxable estate plus adjusted taxable gifts for Federal estate tax purposes under the provision of the Internal Revenue Code in effect on December 31, 2001 exceed \$675,000? 26. Yes  No

If yes, by how much \$ \_\_\_\_\_.

Indicate which letters were issued and where issued:  
 Letters of Administration  Letters Testamentary  State of \_\_\_\_\_ County of \_\_\_\_\_

**SUBMIT A FULL COPY OF THE DECEDENT'S WILL, CODICILS, TRUSTS, AND A COPY OF THE LAST FULL YEAR'S FEDERAL INCOME TAX RETURN.**

Affiant says, under penalty of perjury, "I declare that I have examined this return and all accompanying schedules and to the best of my knowledge and belief, it is true, correct and complete." I hereby authorize the party(s) set forth above to act as the estate's representative, to receive confidential information, and to make presentations on behalf of the estate.

Subscribed and sworn before me \_\_\_\_\_ Signature: \_\_\_\_\_ (Executor - Administrator - Heir-at-law)  
 this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ Print Name: \_\_\_\_\_  
 \_\_\_\_\_ Address \_\_\_\_\_  
 Official Title (Notarized)



ATTACH CHECK FOR BALANCE DUE HERE

## INSTRUCTIONS FOR RECITAL PAGE

### Lines 8, 15 and 16

In the case of a transfer or transfers made subject to a contingency or condition which renders a definite determination of the Transfer Inheritance Tax due impossible, the Division will suggest a compromise of the tax based upon immediate payment and final disposition of the tax. N.J.A.C. 18:26-2.14, N.J.S.A. 54:36-5 AND 54:36-6.

Therefore, enter on Line 8, the amount of the estate that is "Contingent."

In the event you wish to compute a compromise for the Division's review, you should include a rider setting forth full computations and details and enter the proposed amount on Line 15. Following this procedure may speed the auditing of the decedent's return.

Be advised that where all or any portion of the contingent amount has vested in a beneficiary by reason of the happening of any contingency event, full details should be set forth on a rider, the tax computed on a rider and entered on Line 16.

### Line 18

Interest accrues at the rate of 10% per annum on any direct tax or portion thereof not paid within eight months of the decedent's death.

With respect to the payment of the tax due on an executory devise, or a transfer subject to a contingency or power of appointment, any payment on such a transfer after the expiration of two months from the date the contingency occurs or the property vests, shall bear interest at the rate of 10% per annum from the date the contingency occurs or the property vests, until the date of actual payment.

In any case where a contingent remainder vests in beneficial possession and enjoyment subsequent to the death of the original decedent, but prior to the expiration of the statutory interest period, interest on the contingent tax does not start to accrue until eight months from the date of death of the original decedent.

### Line 20

Payments on account may be made at any time to avoid further accrual of interest on the amount paid. In any case where the amount paid on account for New Jersey inheritance taxes exceeds the amount of such tax due after final assessment has been made, the amount so overpaid shall be refunded by the State Treasurer in the due course of business, provided, however, that all applications for a full or partial refund of the payment of the transfer inheritance tax shall be made within three years from the date of such payment. Make checks payable to: NJ Inheritance and Estate Tax, P.O. Box 249, Trenton, New Jersey 08695-0249.

## Examples of Interest Computations

|                                    |         |
|------------------------------------|---------|
| Date of Death .....                | 5-28-90 |
| Interest Date (eight months) ..... | 1-28-91 |

|   |  |            |
|---|--|------------|
| Tax Assessed .....  |  | \$7,120.48 |
| Interest @ 10% per annum from 1-28-91 to 9-19-91 (\$7,120.48 x 10% x 234/365) .....     |  | 456.49     |
| Total .....   |  | 7,576.97   |
| Payment on Account (9-19-91) .....  |  | (7,120.48) |
| Balance Due (plus interest @ 10% per annum from 9-19-91 to date of final payment) ..... |  | 456.49     |

|                                    |         |
|------------------------------------|---------|
| Date of Death .....                | 8-29-90 |
| Interest Date (eight months) ..... | 4-29-91 |

|   |  |             |
|---|--|-------------|
| Tax Assessed .....  |  | \$68,389.70 |
| Payment of Account (4-19-91) .....  |  | (16,974.56) |
| Balance .....   |  | 51,415.14   |
| Payment on Account (4-28-91) .....  |  | (31,927.02) |
| Balance .....   |  | 19,488.12   |
| Interest @ 10% per annum from 4-29-91 to 5-10-91 (\$19,488.12 x 10% x 11/365) ..... |  | 58.73       |
| Total .....   |  | 19,546.85   |
| Payment on Account (5-10-91) .....  |  | (27,048.67) |
| Overpayment (to be refunded) .....  |  | 7,501.82    |



**SCHEDULE "A" REAL PROPERTY  
RESIDENT DECEDENT**  
(See Instructions on reverse side)

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 Decedent's Name Decedent's Social Security Number

| Description of New Jersey Real Estate  | Full Assessed Value for Year of Death | Full Market Value at Date of Death | Value of Decedent's Equity and (How Determined) | This Column for Division Use |
|--|---------------------------------------|------------------------------------|---|------------------------------|
| 1. Street and Number<br><br>Municipality:<br><br>Lot:                      Block:<br><br>County:<br><br>Title/Owner of Record:<br><br>Mortgage Balance: \$ |                                       |                                    |   |                              |
| 2. Street and Number<br><br>Municipality:<br><br>Lot:                      Block:<br><br>County:<br><br>Title/Owner of Record:<br><br>Mortgage Balance: \$ |                                       |                                    |   |                              |
| 3. Street and Number<br><br>Municipality:<br><br>Lot:                      Block:<br><br>County:<br><br>Title/Owner of Record:<br><br>Mortgage Balance: \$ |                                       |                                    |   |                              |
| 4. Street and Number<br><br>Municipality:<br><br>Lot:                      Block:<br><br>County:<br><br>Title/Owner of Record:<br><br>Mortgage Balance: \$ |                                       |                                    |   |                              |

Insert this total on page 1, line 1 .....

## INSTRUCTIONS FOR SCHEDULE "A"

Only list real property situated in New Jersey

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**DESCRIPTION:** The real property should, wherever possible, be described by lot and block number, or street and street number, or by a general description, with a reference to a record of the deed by which title was conveyed.

**MORTGAGES:** State the amount of mortgage encumbrances upon any parcel at date of decedent's death. State whether there was any mortgage insurance and, if so, submit verification as to the amount of same. If decedent died without a will, state date of acquisition of each parcel of real property.

**FRACTIONAL INTEREST:** If the decedent owned a fractional interest, state the names in which the realty was held, whether as joint tenants with right of survivorship or as tenants in common, and set forth in detail how the interest was acquired. *Submit a copy of the deed.*

**TENANTS BY THE ENTIRETY:** Real property held by husband and wife/civil union partners, as "tenants by the entirety" in the estate of the spouse/civil union partner dying first need not be reported.

**OTHER LIENS:** Taxes, assessments, accrued interest on mortgages, etc. must not be claimed in this schedule but are to be listed on Schedule "D" of this return.

**WAIVERS:** Unpaid inheritance taxes constitute a lien on real property and waivers are therefore required to transfer said real property, with the exception of real property held by husband and wife/civil union partners as "tenants by the entirety" in the estate of the spouse/civil union partner dying first.

**CO-OPS:** A membership certificate or stock in a New Jersey cooperative housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence. However a waiver is required for this transfer in the estate of a resident decedent. (This should be reported on Schedule "B(1)-Stock").

**CONDOMINIUMS:** An interest in a condominium is an interest in Real Property and therefore reportable on Schedule "A".

**APPRAISALS:** Submit a copy of any appraisal, contract of sale and/or closing statement. Only recital or valuation page of appraisals are initially required. Additional supporting documentation will be requested if needed.

**SCHEDULE "B" CLOSELY HELD "BUSINESSES"**  
**RESIDENT DECEDENT**  
(See Instructions on reverse side)

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|                 |  |
|-----------------|--|
| Decedent's Name | _____/_____/_____<br>Decedent's Social Security Number |
|-----------------|--|

| Name and Federal Identification Number of Any Sole Proprietorship, Partnership, Joint Venture and/or Closely Held Corporation in Which the Decedent Held Any Interest | Market Value at Date of Death | This Column for Division Use |
|---|-------------------------------|------------------------------|
| 1.  |                               |                              |
| 2.  |                               |                              |
| 3.  |                               |                              |
| 4.  |                               |                              |
| Insert this total on page 1, line 2 .....   |                               |                              |

(If additional space is required, attach riders of the same size)

## **INSTRUCTIONS FOR SCHEDULE "B"**

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If the taxpayer had any interest in a closely held corporation, partnership, joint venture or sole proprietorship, the following information is required (in each instance):

1. A detailed balance sheet and profit and loss statement, revised to reflect the market value of the assets thereof as distinguished from the net book value, as of the decedent's date of death, or as near thereto as the Director may deem acceptable.
2. For the five year period preceding the decedent's date of death;
  - A. Detailed balance sheets.
  - B. Detailed profit and loss statements.
3. The nature of the business.
4. Describe and state the assessed and market value of any real property.
5. Set forth your basis for determining the clear market value as reported.

### **CLOSELY HELD CORPORATIONS**

If the decedent had any interest in a closely held corporation, submit (in addition to the general information required above):

1. For the five year period preceding the decedent's date of death:
  - A. A listing of salaries paid to officers.
  - B. A listing of dividends paid, together with the name(s) of the payees.
2. Copy/copies of any stock purchase or option agreement to which the decedent was a party as of the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the corporation as beneficiary together with a statement of the benefits payable thereunder.
4. The number of shares of stock of all classes issued and outstanding and the par value thereof.
5. List of stockholders setting forth the number of shares held by each.

### **PARTNERSHIPS OR JOINT VENTURES**

If the decedent had any interest in a partnership or joint venture, submit (in addition to the general information required above):

1. Copy of the partnership agreement.
2. Copy/copies of any mutual purchase agreement(s) to which the decedent was a party at the date of death.
3. Copy/copies of any insurance policy/policies on the decedent's life payable to the surviving partners as beneficiary together with a statement of the benefits payable thereunder.

### **SOLE PROPRIETORSHIPS**

If the decedent had any interest in a sole proprietorship, submit (in addition to the general information required above):

1. If any of the sole proprietorship's assets are listed elsewhere on this return, (i.e. Schedule "A"), make full disclosure.

**SCHEDULE "B (1)" RECAPITULATION - ALL OTHER PERSONAL PROPERTY  
RESIDENT DECEDENT**  
(See Instructions Below)

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**• BRING FORWARD TOTALS FROM EACH OF THE FOLLOWING SCHEDULES:**

|  |  |
|--|--|
| <b>1) SCHEDULE B-1: BANK ACCOUNTS/BROKERAGE ACCOUNTS</b>   |  |
| <b>2) SCHEDULE B-1: STOCK</b>  |  |
| <b>3) SCHEDULE B-1: INVESTMENT BONDS</b>   |  |
| <b>4) SCHEDULE B-1: ALL OTHER PROPERTY</b>   |  |
| <b>TOTAL LINES 1-4</b><br><b>Insert this total on Page 1, Line 3 "All Other Personal Property"</b> |  |

**GENERAL INSTRUCTIONS FOR SCHEDULE "B (1)"**

List all other personal property (excluding that on Schedule B) including all tangible personal property located permanently in New Jersey.

These schedules must disclose not only all other personal property owned individually by the decedent but also all other personal property standing in joint names (such as United States Savings Bonds, bank accounts, shares of stock, etc.) which may be claimed by another or others as survivors.

Unless the surviving joint tenant is also a Class A beneficiary (see General Instructions), the transfer of ownership to a surviving joint tenant or tenants pursuant to a joint tenancy with the right of survivorship is a transfer subject to tax. The deceased joint tenant is deemed to have been the absolute owner of the property and the survivor/survivors are presumed to have received a devise or bequest of the whole and not a part of the property. This presumption can be rebutted to the extent that the survivor can prove contributions out of funds separate and apart from those that originated in the decedent. All joint assets including those passing to exempt beneficiaries and those claimed not to have belonged to the decedent must be listed, with full market value as of date of death.

These schedules must list all other intangible personal property such as, but not limited to, United States Savings Bonds; treasury certificates; cash on hand; cash in the bank; deposits in Federal or State Credit Unions; mutual funds; bonds and mortgages; promissory notes; claims; accounts receivables; corporate bonds; corporate stocks; accrued interest; dividends; salaries or wages; insurance payable to the estate or its representatives; interest in any undistributed estate or income from any property held in trust under the will or agreement of another, even though physically located outside the state at the time of death.

Waivers are not required for automobiles, household goods, accrued wages or mortgages, but these items must be reported on Schedule B-1 "All Other Property".

A membership certificate or stock in a New Jersey housing corporation held in the name of the decedent and a surviving spouse/civil union partner or domestic partner as joint tenants with the right of survivorship is exempt, if it entitled them to use it as their principal residence; however, a waiver is required for this transfer in the estate of a resident decedent.

**SCHEDULE B (1) - BANK ACCOUNTS/BROKERAGE ACCOUNTS  
RESIDENT DECEDENT**

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_

This schedule may include checking accounts, savings accounts, money markets, credit unions, CD's, brokerage accounts, mutual funds, and IRA's.

- (A) **Include the name of each bank or institution** on which decedent's name appears.
  - 1) State all names registered on each account, along with account number of each.
  - 2) *Multiple accounts in one bank may be grouped together, but each account must be listed separately.*
- (B) Report the **full date of death balance** of each account in "Date of Death Value" column.
  - 1) Report account totals only for brokerage accounts on this schedule (*asset breakdowns must be provided in supporting documentation*).
- (C) List decedent's equity in account (If 100% , amount will be the same as (b).)
  - 1) *Claims for partial ownership must be supported in supplemental affidavits.*

| (A)<br>Bank Accounts - Individually or Jointly Owned               | (B)<br>Date of Death Value | (C)<br>Decedent's Equity | Division Use Only |
|--|----------------------------|--------------------------|-------------------|
|  |                            |                          |                   |
| Insert this total on SCHEDULE B-1 Recapitulation, Line 1 . . . . . |                            |                          |                   |



**SCHEDULE B (1) - STOCK  
RESIDENT DECEDENT**

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

- (A) Report the number of shares owned of each stock.
- (B) List the name of the company and all names registered on each stock.
- (C) List the state of registration for each corporation (ie., NJ, DE, MD, etc.), if known.
- (D) Report the per-share market value of each stock as of the date of death.
- (E) Full market value of all shares (number of shares x per share value).
- (F) Total value of decedent's equity (*Claims for partial ownership must be supported in supplemental affidavits*).  
(List accrued dividends as of date of death along with each item.)

| (A)<br>Number of<br>Shares                                     | (B)<br>Name of Stock - Registered Owner(s) | (C)<br>State of Inc. | (D)<br>Date of Death Per<br>Share Value | (E)<br>Total Market Value | (F)<br>Decedent's Equity | Division Use Only |
|--|--|----------------------|---|---------------------------|--------------------------|-------------------|
|  |  |                      |   |                           |                          |                   |
| Insert this total on SCHEDULE B-1 Recapitulation, Line 2 ..... |  |                      |   |                           |                          |                   |

**SCHEDULE B (1) - INVESTMENT BONDS  
RESIDENT DECEDENT**

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_

(A) Provide name of company or entity holding bond and all terms of bond.

1) List all names registered on each bond.

(B) Report full date of death value of bonds.

1) Include accrued dividends as of date of death.

(C) List decedent's equity in bond (If 100% , amount will be the same as (b)).

*Note: U.S. Savings Bonds should be listed on Schedule B-1 "All Other Property".*

| (A)<br>Bonds - Individually or Jointly Owned                   | (B)<br>Date of Death Value | (C)<br>Decedent's Equity | Division Use Only |
|--|----------------------------|--------------------------|-------------------|
|  |                            |                          |                   |
| Insert this total on SCHEDULE B-1 Recapitulation, Line 3 ..... |                            |                          |                   |

**SCHEDULE B (1) - ALL OTHER PROPERTY  
RESIDENT DECEDENT**

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

List all other property owned by the decedent, including (but not limited to):

- U.S. Obligations (Savings Bonds or Treasury Certificates)
- Automobiles or other vehicles
- Personal property, collections, furniture, etc.
- Mortgages and notes owned by decedent
- Cash and uncashed checks
- Interest in a prior estate
- Accounts receivable

| Other Property - Individually or Jointly Owned                 | Date of Death Value | Division Use Only |
|--|---------------------|-------------------|
|  |                     |                   |
| Insert this total on SCHEDULE B-1 Recapitulation, Line 4 ..... |                     |                   |

(If additional space is required, attach riders of the same size. All forms may be reproduced)

**SCHEDULE "C" TRANSFERS  
RESIDENT DECEDENT**

Decedent's Name \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Decedent's Social Security Number

**(ALL QUESTIONS MUST BE ANSWERED)**

1. Did decedent, within three years of death, transfer property, valued at \$500.00 or more, without receiving full financial consideration therefor? .....  Yes  No
2. Did decedent, at any time, transfer property, reserving (in whole or in part) the use, possession, income, or enjoyment of such property? .....  Yes  No
3. Did decedent, at any time, transfer property on terms requiring payment of income to decedent from a source other than such property? .....  Yes  No
4. Did decedent, at any time, transfer property, the beneficial enjoyment of which was subject to change because of a reserved power to alter, amend, or revoke, or which could revert to decedent under terms of transfer or by operation of law? .....  Yes  No  
 If answer to any of the above questions is "Yes", set forth a description of property transferred, the fair market value at date of death, dates of transfers, and to whom transferred. Submit copy of trust deed or, agreement, if any. (If transfers are claimed to be untaxable, also submit detailed statement of facts on which such claim is based, proof as to decedent's physical condition and copy of death certificate.)
5. Was decedent a participant in any pension plan that provided for payment of an annuity or lump sum on or after death to another? .....  Yes  No
6. Did decedent purchase or in any manner participate in any contract or plan providing for payment of an annuity or lump sum on or after death to another, *except life insurance contracts* payable to a designated beneficiary? .....  Yes  No  
 (Matured endowment policies, claim settlement certificates, supplementary contracts, annuity contracts and refunds thereunder and interest income certificates even though issued by an insurance company are not considered life insurance contracts.)
7. Was a single premium life insurance policy issued on decedent's life in conjunction with an annuity contract? .....  Yes  No  
 If answer to questions 5, 6 or 7 is "Yes" attach photostatic copies of all such contracts, plans, and policies.
8. Were any accumulated dividends due on any contract of insurance? (If yes, list below) .....  Yes  No

| Date of Transfer; Description of Property, Both Real and Personal:<br>Actual Consideration if Any; Names and Relationship to<br>Decedent of Donees, Assignees, Transferees, etc. | Market Value<br>at Date of Death | This Column for<br>Division Use |
|--|----------------------------------|---------------------------------|
| 1.   |                                  |                                 |
| Insert this total on page 1, line 4 .....  |                                  |                                 |

(If additional space is required, attach riders of the same size)

**SCHEDULE "D" DEDUCTIONS CLAIMED**  
**RESIDENT DECEDENT**  
(See Instructions on reverse side)

Decedent's Name \_\_\_\_\_

Decedent's Social Security Number \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

| Debt or Claim of      | Nature of Same   | Amount | This Column for Division Use |
|-----------------------|--|--------|------------------------------|
| Name:<br>_____        | Estimated Expenses for:<br><input type="checkbox"/> Funeral .....<br><input type="checkbox"/> Administration ..... |        |                              |
| Name:<br>_____        | Counsel Fees:<br><input type="checkbox"/> Agreed Upon .....<br><input type="checkbox"/> Estimated .....            |        |                              |
| Names:<br>_____       | Executor's or Administrator's Commissions<br>(Must not be claimed unless reported for<br>Income Tax purposes.)     |        |                              |
| SS# _____/_____/_____ |  |        |                              |
| SS# _____/_____/_____ |  |        |                              |
|                       | Other Deductions (list individually)   |        |                              |

Insert this total on page 1, line 6 .....

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## INSTRUCTIONS FOR SCHEDULE "D"

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If any notes, brokerage accounts or other claims are secured by collateral, describe the collateral pledged, with its value as of the date of death of the decedent and state whether or not said collateral is included among the assets disclosed in Schedule B or B(1). If collateral is not pledged, state after each loan "No collateral pledged".

NOTE: No debt or claim is to be listed in this schedule unless still owing and unpaid at the time of death and unless such debt or claim is to be paid out of the assets of the estate.

(EXAMPLE: That portion of medical bills paid or reimbursed by Medicare or other medical insurance should not be claimed on this schedule).

Contested claims must be explained in detail. Do not list any taxes, either real, personal or income, chargeable for any period subsequent to date of death; nor any claim against property located outside of New Jersey, unless such property is subject to tax in this state.

The estate agrees to advise the Division if the amount actually paid in settlement of any fee, commission or debt is greater or less than the estimated amount allowed and further agrees to the correction of the assessment, if necessary.

For mortgages see instructions for Schedule "A".

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### Examples of Allowable Deductions

#### FUNERAL EXPENSES:

Cemetery Plot (immediate family)  
Funeral Luncheon  
Flowers  
Minister/Rabbi/Priest/Imam  
Monument/Lettering  
Funeral Costs  
Acknowledgments

Cost on recovery and/or discovery of assets  
Realty commissions in accordance with  
N.J.A.C. 18:26-7.12  
Storage of property if delivery to legatee not possible  
within reasonable time

#### ADMINISTRATION EXPENSES:

Appraisal of real estate  
Appraisal of personal effects  
Surrogate's fees  
Probate expenses  
Fee to notify creditors  
Death certificates  
Telephone tolls  
Cost of Executor's or Administrator's Bond  
Collection costs  
Court costs

#### DEBTS OF DECEDENT OWING and UNPAID AT TIME OF DEATH:

Personal accounts  
Judgments  
Federal income and gift taxes generally  
Real estate mortgage:  
(a) Interest accrued before death, deducted in  
Schedule D  
(b) Principal offset in Schedule A  
Charitable pledges  
State, county and local taxes accrued before death  
Unpaid Inheritance Tax on interrelated estate

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### Examples of Non-Allowable Deductions

Contingent liabilities  
Mortgage, taxes and accrued interest on tenants by entirety  
property  
Debts paid by insurance  
Medical expenses paid prior to death  
Liabilities of corporation of which decedent was a  
shareholder  
Real estate and property maintenance costs

Storage expense  
State, county and local taxes accruing after date of death  
Transfer Inheritance Tax  
Real estate brokers commissions, except if real property sold  
during administration of estate  
Debts on property located outside of New Jersey  
Federal Estate Tax



**SCHEDULE "E" BENEFICIARIES  
RESIDENT DECEDENT  
ATTACH COPY OF WILL AND CODICILS HERE**

\_\_\_\_\_  
Decedent's Name

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Decedent's Social Security Number

In case of Intestacy, the parentage of all collateral heirs (such as nieces, nephews, cousins, etc.) must be set forth. The relationship of step-parent, step-child, step-brother or step-sister must be so stated.

| BENEFICIARIES AND ADDRESSES<br>(State full names and addresses of all who have an<br>interest, vested, contingent or otherwise, in estate) | Relationship | Class | Survived<br>Decedent<br>State<br>Yes or No | Age At<br>Death of<br>Decedent | Interest of<br>Beneficiary<br>In Estate |
|--|--------------|-------|--|--------------------------------|---|
|  |              |       |  |                                |   |
|  |              |       |  |                                |   |
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|  |              |       |  |                                |   |
|  |              |       |  |                                |   |
|  |              |       |  |                                |   |

Deponent further says the following schedule contains the names of all beneficiaries who died before or after decedent's death:

| NAME | DATE OF DEATH | DOMICILE AT DEATH |
|------|---------------|-------------------|
|      |               |                   |
|      |               |                   |
|      |               |                   |
|      |               |                   |
|      |               |                   |

Under authority of Federal law, the Division of Taxation of the Department of the Treasury of the State of New Jersey and the Internal Revenue Service have entered into a Federal/State Agreement for the mutual exchange of tax information for purpose of tax administration.

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**DID YOU REMEMBER TO:**

1. Attach a copy of the decedent's will, codicils, trusts, and last full year's Federal Income Tax Return.
2. Fill-in the decedent's social security number.
3. Sign the return and have it notarized.

**FAILURE TO DO ANY OF THE ABOVE  
MAY RESULT IN PROCESSING DELAYS**

All checks should be made payable to N.J. Inheritance and Estate Tax and mailed to:

N.J. Division of Taxation  
Individual Tax Audit Branch  
Transfer Inheritance and Estate Tax  
PO Box 249  
Trenton, New Jersey 08695-0249

For information regarding the N.J. Transfer Inheritance and Estate Taxes call:  
(609) 292-5033

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