

**Worksheet G – Use Tax Calculation**

Did you purchase any taxable items or services without paying New Jersey sales tax? This includes any Internet, phone, mail-order, or out-of-State purchases on which New Jersey sales tax was not collected, or purchases on which tax was collected at a rate less than 7%. If the answer is “Yes,” you owe use tax to New Jersey. If you have already paid all use tax due with Form ST-18, answer “No.”

- Yes. Complete Parts I, II, and III to calculate the amount of use tax due.
- No. Enter “0.00” on Line 45, Form NJ-1040.

**Do not leave Line 45 blank.**

**Part I – Use tax due on purchases of items or services costing less than \$1,000 each**  
Complete lines 1a – 1d OR line 2.

*If you know the exact amount of your purchases...*

- 1a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected ..... 1a. \_\_\_\_\_
- 1b. Multiply line 1a by 7% (.07) ..... 1b. \_\_\_\_\_
- 1c. Enter the amount of sales tax collected by other states for purchases on line 1a, up to 7%. Do not include sales tax collected by foreign countries.. 1c. \_\_\_\_\_
- 1d. Subtract line 1c from line 1b. Continue with Part II ..... 1d. \_\_\_\_\_

**OR**

*If you do not know the exact amount of your purchases...*

- 2. Enter the amount of use tax from the Estimated Use Tax Chart below that corresponds to the income you reported on Line 28, Form NJ-1040. Continue with Part II..... 2. \_\_\_\_\_

**Part II – Use tax due on purchases of items or services costing \$1,000 or more each**

- 3a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected ..... 3a. \_\_\_\_\_
- 3b. Multiply line 3a by 7% (.07) ..... 3b. \_\_\_\_\_
- 3c. Enter the amount of sales tax collected by other states for purchases on line 3a, up to 7%. Do not include sales tax collected by foreign countries.. 3c. \_\_\_\_\_
- 3d. Subtract line 3c from line 3b. Continue with Part III..... 3d. \_\_\_\_\_

**Part III – Total Use Tax Due**

- 4. Add the amount from either line 1d or line 2 to the amount on line 3d. Enter here and on Line 45, Form NJ-1040..... 4. \_\_\_\_\_

**(Keep for your records)**

**Estimated Use Tax Chart**

(for Part I, line 2 only)

<b>If your New Jersey gross income is:</b>	<b>Use Tax</b>	<b>If your New Jersey gross income is:</b>	<b>Use Tax</b>
up to \$15,000.....	\$ 14	\$100,001 – \$150,000.....	134
\$15,001 – \$30,000.....	44	\$150,001 – \$200,000.....	170
\$30,001 – \$50,000.....	64	\$200,001 and over.....	.0852% (.000852)
\$50,001 – \$75,000.....	84		of income, or \$494,
\$75,001 – \$100,000.....	106		whichever is less.

**Line 44 - Balance of Tax After Credit**

Subtract Line 43 from Line 42 and enter the result on Line 44.

**Line 45 - Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases**

**Complete Worksheet G to determine the amount to report on Line 45.**

When you purchase taxable items or services to be used in New Jersey but do not pay sales tax, you owe use tax. This commonly occurs when purchases are made on the Internet, by phone or mail order, or outside the State from sellers who do not collect New Jersey sales tax. The New Jersey use tax rate is the same as the sales tax rate: 7%. If you paid sales tax to another state at a rate less than 7% on a purchase that would have been taxed in New Jersey, you owe use tax based on the difference between the two rates. For example, if you paid 6% sales tax to another state, you owe 1% use tax to New Jersey. No credit is allowed for sales tax paid to a foreign country. You must pay 7% use tax to New Jersey on such purchases.

The following are some items that are often purchased without paying sales tax. Residents would then owe use tax based on the purchase price, including any delivery/shipping charges.

- ♦ Electronics
- ♦ Furniture
- ♦ Music
- ♦ Artwork
- ♦ Computers
- ♦ Video games
- ♦ Antiques
- ♦ Appliances
- ♦ Jewelry
- ♦ Books
- ♦ Software
- ♦ CDs and DVDs
- ♦ Carpet

**For example:**

- ♦ You purchased several DVDs on the Internet for \$100 with free shipping and paid no sales tax. Your use tax liability to New Jersey on these items is \$7 (\$100 × .07 = \$7).
- ♦ You purchased a computer for \$1,550 plus \$50 for shipping from a seller located outside New Jersey and paid no sales tax. Your use tax liability to New

Line 45 - Use Tax Due on Internet, Mail-Order, or Other Out-of-State Purchases - continued

Jersey on this item is \$112 ( $\$1,600 \times .07 = \$112$ ).

- ♦ On a trip to Maine, you purchased an antique desk for \$4,000 and paid Maine sales tax at the rate of 5.5%. The difference, \$60 (1.5% of the purchase price), is due to New Jersey as use tax.
- ♦ You sent a watch to a Pennsylvania jeweler to be repaired and the watch was returned to you via UPS. You paid \$45 for the repair plus \$5 for shipping and paid no sales tax. Your use tax liability to New Jersey on this service is \$3.50 ( $\$50 \times .07 = \$3.50$ ).

There are two ways for individual taxpayers to report and remit use tax:

1. By completing and filing a Use Tax Return (Form ST-18) within 20 days after property is brought into New Jersey, or
2. By reporting any use tax due on Line 45 of their resident income tax return, Form NJ-1040.

Form ST-18 is provided in this booklet for your convenience (in the center of the booklet with other tax forms).

**If you do not owe use tax, enter "0.00" on Line 45. Do not leave this line blank. You must enter an amount on Line 45.**

If you owe use tax and are remitting it with Form NJ-1040, use Worksheet G to calculate the amount you owe.

**NOTE:** Using the Estimated Use Tax Chart when calculating the amount of use tax to report on Line 45 does not preclude the Division of Taxation from auditing your account. New Jersey does have access to records maintained by out-of-State businesses, and if additional tax is due, you may receive an assessment for the amount of use tax owed, plus applicable penalties and interest.

For more information about which items and services are subject to New Jersey sales and use tax, see Tax Topic Bulletin

S&U-4, *New Jersey Sales Tax Guide*. For more information about New Jersey use tax, see publication ANJ-7, *Use Tax in New Jersey*.

### Line 46 - Penalty for Underpayment of Estimated Tax

New Jersey's income tax is a "pay as you go" tax. You must pay the tax as you earn or receive income throughout the year. If you do not pay enough tax on the income you received, you may owe interest. (See "Estimated Tax" on page 12.)

To determine the amount of interest for the underpayment of estimated tax, complete Form NJ-2210, Underpayment of Estimated Tax by Individuals, Estates or Trusts. Enter on Line 46 the amount of interest due from line 19, Form NJ-2210. Be sure to fill in the oval below Line 46 and enclose Form NJ-2210 with your return.

### Line 47 - Total Tax and Penalty

Enter on Line 47 the total of Lines 44, 45, and 46.

### Line 48 - Total New Jersey Income Tax Withheld

Enter on Line 48 the total New Jersey income tax withheld, as shown on your W-2, W-2G, and/or 1099 statement(s). All W-2 and 1099 statements must reflect your correct social security number for the withholdings to be credited. If the social security number is missing or incorrect, you must obtain a corrected statement. Only your employer/payer can issue or correct these forms. If you have not received a W-2 or 1099 form by February 15, or if the form you received is incorrect, contact your employer/payer immediately.

**Form W-2.** The W-2 must indicate the amount of New Jersey tax withheld and the "State" box must indicate that the tax withheld was New Jersey income tax. (See sample W-2 on page 19.) **Enclose the state copy of each withholding statement (W-2, W-2G).**

**Do not** include on Line 48 amounts withheld as New Jersey unemployment insurance/workforce development partnership fund/supplemental workforce fund contributions (shown on the W-2 as UI/WF/SWF, if combined, or UI, WF, and SWF if stated separately), New Jersey disability insurance contributions (may be shown as DI), or New Jersey family leave insurance contributions (shown as FLI). These are **not** New Jersey income tax withholdings and may not be used as credits on Line 48.

See instructions for Lines 52, 53, and 54 for more information on excess unemployment insurance/workforce development partnership fund/supplemental workforce fund contributions, disability insurance contributions, and/or family leave insurance contributions.

**Form 1099.** Although most 1099 forms do not show state withholding, New Jersey income tax may have been withheld from income you received that was reported on Form 1099-R or 1099-MISC. Enter on Line 48 the total amount of New Jersey income tax withheld, if any, shown on those statements. **Enclose the state copy of Form 1099-R or 1099-MISC with your return only if New Jersey income tax was withheld.**

**NOTE:** Do not include tax paid on your behalf by partnership(s) on this line. Such payments may not be claimed by New Jersey residents as credits on Form NJ-1040 and will be disallowed.

### Line 49 - Property Tax Credit

If you satisfied the eligibility requirements (see page 33) and you did not claim a property tax deduction on Line 38, you qualify for a property tax credit.

**Do not complete Line 49 if:**

- ♦ You claimed a property tax deduction on Line 38; or
- ♦ Your income on Line 28, Form NJ-1040 is \$20,000 or less (\$10,000 if filing status is single or married/CU partner, filing separate return).