

## How the Veterans Exemption Works

Q. I was informed by my Army buddies that New Jersey will be reducing my property tax by \$3,000 because of my veteran status. Is there any truth to this? As I am already receiving a \$250 deduction, will I have to re-apply to receive the larger benefit or will it happen automatically?

-- Vet

A. Your buddies are right that you may qualify for \$3,000 in savings on your 2017 tax return.

As part of the legislation that raised the New Jersey gas tax, honorably discharged veterans are eligible to receive a \$3,000 exemption effective with the filing of 2017 income tax returns, said **Claudia Mott**, a certified financial planner with **Epona Financial Solutions** in Basking Ridge.

This new benefit isn't a property tax deduction, but an offset against earned income and can be combined with any other exemptions you are entitled to claim, Mott said.

"The statute defines a veteran as one who has been 'honorably discharged or released under honorable circumstances from active duty in the Armed Forces of the United States, a reserve component thereof, or the National Guard of New Jersey in a federal status,'" she said. "The \$250 property tax deduction remains available to those veterans who are New Jersey residents and own a home."

According to the N.J. Division of Taxation website, your eligibility will need to be certified in order to claim the exemption. You can get the Veteran Income Tax Exemption Submission Form on the state's website. Then you'll also need documentation your DD-214, Certificate of Release or Discharge from Active Duty, which shows you were honorably discharged, Mott said.

These documents can be submitted with a secure document upload, via mail or fax.

"The Division of Taxation will provide a letter confirming your eligibility once your documents are verified," Mott said. "The letter and DD-214 can accompany your tax return when it is filed."

Also be aware that there will be a box or oval on the state return which must be completed to claim the exemption.

"In the event you don't go through the certification process in advance, you may submit the Veterans Exemption Submission form and a copy of your discharge papers when you file your New Jersey state return and your eligibility will be evaluated at that time," Mott said.