



N  
F  
C  
  
B  
U  
L  
L  
E  
T  
I  
N

Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 09-34, New Jersey State Income Tax Withholding

Date: September 25, 2009

To: Holders of TAXES (State of New Jersey only)  
Personnel User Groups  
T&A Contact Points in New Jersey

Beginning with wages paid for Pay Period 25, the National Finance Center (NFC) will change the income tax withholding tables for the state of New Jersey.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "▶◀".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

 for

JOHN S. WHITE, Acting Director  
Government Employees Services Division

# New Jersey State Income Tax Information

**State Abbreviation:** NJ  
**State Tax Withholding State Code:** 34  
**Acceptable Exemption Form:** NJ-W4  
**Basis For Withholding:** State or Federal Exemptions  
**Acceptable Exemption Data:** S, M, C, D, E /Number of Exemptions  
**TSP Deferred:** No  
**Non-Federal 401(k) Deferred:** Yes  
**Special Coding:** Determine the Total Number Of Allowances Claimed field as follows:

First Position –

**If Item 3 of the NJ-W4 Contains:**

	<b>Enter:</b>
A	S
B	M
C	C
D	D
E	E

**If Item 3 of the NJ-W4 is Blank and if the Status on Line 2 Is:**

	<b>Enter:</b>
Single	S
Married/Civil Union Couple Joint	M
Married/Civil Union Couple Separate	S
Head of Household	M
Surviving Spouse/Surviving Civil Union Partner	M

Second and Third Positions – Enter the total number of exemptions claimed in Item 4 of the NJ-W4. If less than 10, precede with a zero.

**Additional Information:** If a state income tax certificate has not been processed or if a valid state exemption code is not present, the Federal exemptions will be used in the computation of state tax.

## Withholding Formula ►(Effective Pay Period 25, 2009)◄

1. Subtract the nontaxable biweekly non-Federal 401(k) contribution from the gross biweekly wages to obtain the adjusted gross biweekly wages. **Note:** Do not subtract the biweekly Federal Thrift Savings Plan contribution.

2. Multiply the adjusted gross biweekly wages computed in step 1 by 26 to obtain the annual wages.
3. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

Exemption Allowance = \$1,000 x Number of Exemptions

4. Apply the taxable income computed in step 3 to the following table to determine the annual New Jersey tax withholding.

**Tax Withholding Table**  
**Single or Married/Civil Union Couple – Filing Separately**  
**(Rate Table A)**

<b>If the Amount of Taxable Income Is:</b>		<b>The Amount of New Jersey Tax Withholding Should Be:</b>		
<b>Over:</b>	<b>But Not Over:</b>			<b>Of Excess Over:</b>
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	35,000	300	plus 2.0%	20,000
35,000	40,000	600	plus 3.9%	35,000
40,000	75,000	795	plus 6.1%	40,000
75,000	▶400,000◀	2,930	plus 7.0%	75,000
▶400,000	and over	25,680	plus 12.0%	400,000◀

**Married/Civil Union Couple – Filing Jointly or Head of Household**  
**or**  
**Surviving Spouse/Surviving Civil Union Partner**  
**(Rate Table B)**

<b>If the Amount of Taxable Income Is:</b>		<b>The Amount of New Jersey Tax Withholding Should Be:</b>		
<b>Over:</b>	<b>But Not Over:</b>			<b>Of Excess Over:</b>
\$ 0	20,000	\$ 0	plus 1.5%	\$ 0
20,000	50,000	300	plus 2.0%	20,000
50,000	70,000	900	plus 2.7%	50,000
70,000	80,000	1,440	plus 3.9%	70,000
80,000	150,000	1,830	plus 6.1%	80,000
150,000	▶400,000◀	6,100	plus 7.0%	150,000
▶400,000	and over	23,600	plus 12.0%	400,000◀

**Optional Rate Table C**

**If the Amount of Taxable Income Is:**

<b>Over:</b>	<b>But Not Over:</b>
\$ 0	\$ 20,000
20,000	40,000
40,000	50,000
50,000	60,000
60,000	150,000
150,000	▶400,000◀
▶400,000	and over

**The Amount of New Jersey Tax Withholding Should Be:**

	<b>Of Excess Over:</b>
\$ 0 plus 1.5%	\$ 0
300 plus 2.3%	20,000
760 plus 2.8%	40,000
1,040 plus 3.5%	50,000
1,390 plus 5.6%	60,000
6,430 plus 6.6%	150,000
22,930 plus 12.0%	400,000◀

**Optional Rate Table D**

**If the Amount of Taxable Income Is:**

<b>Over:</b>	<b>But Not Over:</b>
\$ 0	\$ 20,000
20,000	40,000
40,000	50,000
50,000	60,000
60,000	150,000
150,000	▶400,000◀
▶400,000	and over

**The Amount of New Jersey Tax Withholding Should Be:**

	<b>Of Excess Over:</b>
\$ 0 plus 1.5%	\$ 0
300 plus 2.7%	\$ 20,000
840 plus 3.4%	\$ 40,000
1,180 plus 4.3%	\$ 50,000
1,610 plus 5.6%	\$ 60,000
6,650 plus 6.5%	\$ 150,000
22,900 plus 12.0%	400,000◀

**Optional Rate Table E**

**If the Amount of Taxable Income Is:**

<b>Over:</b>	<b>But Not Over:</b>
\$ 0	\$ 20,000
20,000	35,000
35,000	100,000
100,000	▶400,000◀
▶400,000	and over

**The Amount of New Jersey Tax Withholding Should Be:**

	<b>Of Excess Over:</b>
\$ 0 plus 1.5%	\$ 0
300 plus 2.0%	20,000
600 plus 5.8%	35,000
4,370 plus 6.5%	100,000
23,870 plus 12.0%	400,000◀

5. Divide the annual New Jersey tax withholding by 26 to obtain the biweekly New Jersey tax withholding.