

Some NJ residents are in for surprise as tax-filing deadline approaches

VINCENT JACKSON Staff Writer

New Jersey traditionally is one of the states where the largest average tax refunds have been given out.

But as last-minute filers work out their tax obligations by the Monday deadline, they may find their refund is not as substantial as in previous years.

One of the biggest changes that took place impacting people's income taxes last year was the passage of President Donald Trump's overhaul of the tax code.

"If you are going to itemize doing your taxes, there is a cap on the amount of property tax and state income tax when combined at \$10,000," said Chuck O'Hara, a volunteer for the past six years with the Volunteer Income Tax Assistance program of Cape May County.

In a high-tax state such as New Jersey, where some homeowners' property taxes alone are more than \$10,000, the cap could increase filers' taxable income and result in them paying more in taxes and getting a smaller refund.

Dianna Berry Frazier, of Pleasantville, who has been doing taxes for the past 16 years, said she sees more people doing worse after the most recent tax-code changes.

"I have more people being upset with me because last year and in other years, they received refunds. This year, they had to pay," Frazier said.

Last year, the tax changes meant employers took less money out of people's weekly paycheck, Frazier said.

If people received an extra \$30 in their paychecks last year, they did not recognize it, Frazier said.

"An extra \$35 or \$25 in their paychecks cost them to have to pay this year in taxes," Frazier said. "I'm one of those people who has to pay this year."

With the new tax law, the biggest change has been in the standard deduction, said Mike Couch, southern New Jersey operations manager for the Campaign for Working Families.

Couch has been helping people with their taxes for seven years as part of that program and did taxes for 10 years before that on his own.

In 2017, the standard deduction was about \$8,000, and personal exemptions for each person on a tax return were about \$4,000. In 2017, the standard tax deduction plus-one exemption would have been \$12,000.

In 2018, they eliminated the exemption but increased the standard deduction to \$12,000 for singles, \$18,000 for head of household and \$24,000 for married couples filing jointly, Couch said.

“The people who were impacted the most were the families that had multiple children,” Couch said.

Under the previous system, parents with four children would have received a \$4,000 exemption for each child and the spouse and \$8,000 for a standard deduction for a total of \$28,000, compared with \$24,000 for a married couple filing this year with multiple children, Couch said.

“The larger the family size, they tended to be negatively impacted by the new tax law,” Couch said.

Frazier has been doing taxes long enough that she remembers when people used to fill out paper forms and not file electronically. Electronic filing causes people to wait closer to the last minute, she said.

“They know it will go right through, and they can still get their money within a short period of time,” Frazier said.