

ST20-15 NJ Resident with Philadelphia Wage Tax or Other Local Jurisdiction Wage Tax

Background: NJ-PA Reciprocity Agreement

The NJ/PA Reciprocity Agreement does not apply to income or wage tax imposed or collected by the City of Philadelphia or other local PA jurisdictions.

Federal Return

- Same as usual – except for W-2(s) with Local Wages, Local Tax Paid and Local Name in blocks 18, 19 and 20, be sure to enter information on TS W-2 form
- **Note:** If PA withholding entered on W-2, see Special Topic ST20-08 NJ Resident with PA Withholding

NJ Return

- State Section
 - Click on Credits
 - Click on Credit for Taxes Paid to Another State
 - Select on Credit for Taxes Paid to Philadelphia or Other Jurisdiction (bottom of list)
 - Select on Credit for Taxes Paid to Philadelphia or Other Jurisdiction
 - Click Add Other State Credit
 - At Select Other State, Select Philadelphia or Other as appropriate
 - Enter Adjusted Gross Income from other Jurisdiction generally Local Wages reported on W2, box 18
 - Enter Amount of Income Tax paid to other state, generally Local Tax Paid reported on W2, box 19
 - If more than one Jurisdiction use separate line for each
- NJ 1040
 - TaxSlayer will automatically calculate Credit for Taxes Paid other Jurisdictions, line 43 on NJ 1040 and enter Jurisdiction Code 52 for Philadelphia or 53 for Other Jurisdictions on line 42
 - TaxSlayer will also automatically create NJ Sch COJ