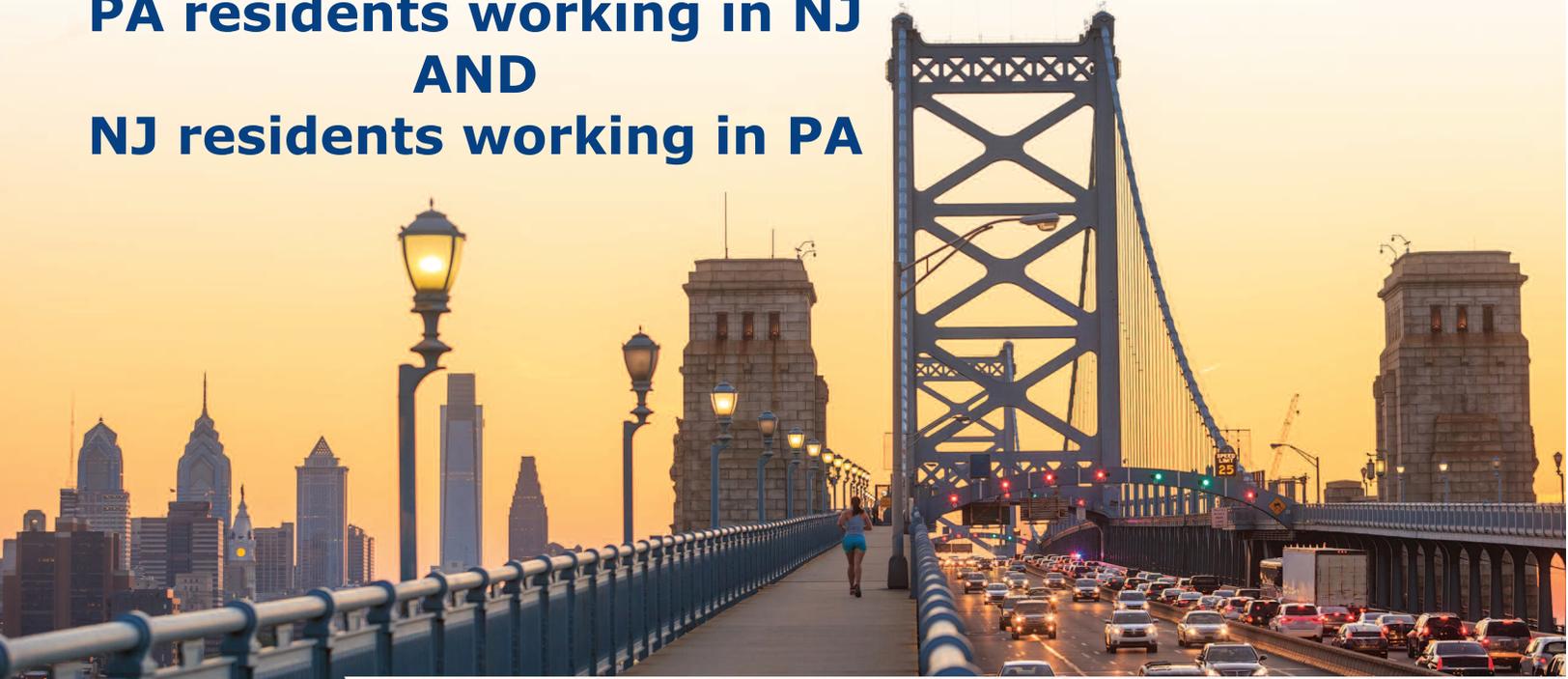


# PA residents working in NJ AND NJ residents working in PA



## Important tax change!

New Jersey has ended a nearly 40-year-old tax agreement with Pennsylvania that allows workers to pay tax to their home state, rather than the state where they work. New Jersey's decision means you may pay tax to both states.

Starting **January 1, 2017**:

- You may owe income tax to both states.
- If your employer doesn't withhold tax for your home state, you may need to make estimated quarterly payments to that state.
- You will file a tax return with both states beginning in 2018. Your home state will give you a credit for taxes paid to the state where you work.

**PA has a flat tax rate of 3.07 percent.**  
**The NJ tax rate increases by income level.**

For more information visit:

Pennsylvania Department of Revenue at:  
**[revenue.pa.gov](http://revenue.pa.gov)**

New Jersey Division of Taxation at:  
**[njtaxation.org](http://njtaxation.org)**

