

THE B&B ALERT

(800) 533-7227



**Begley &
Bookbinder, PC**
ATTORNEYS AT LAW
COMMITTED TO EXCELLENCE
Specializing in Elder & Disability Law

August 15, 2008

Please visit us on the World Wide Web at: www.begleylawyer.com

HOMESTEAD TAX REBATES ***By Thomas D. Begley, Jr., Esquire***

It is that time of year again when mothers of young children begin their back to school shopping and New Jersey residents get their homestead tax rebates. Many of our clients call with problems that they are encountering in this process. This article is to explain the process and make suggestion as to how to deal with questions.

Many of our Medicaid planning clients transfer their home to their children or to a Grantor Trust and reserve either a life estate or a right to use and occupy the property.

There are certain rules that must be followed including the following:

- *Filing Deadline* - October 31, 2008
- *Owner Occupied* - The taxpayer must have owned and occupied the home on October 1, 2007.
- *Income* - The taxpayer's gross income for 2007 must be \$150,000 per year or less.
- *Benefit* - The benefit varies with income. The benefit can be as little as \$500 or as much as \$1,200.
- *Filing* - Most homeowners will file their applications by phone (1-877-658-2972) or on line at www.state.nj.us/treasury/taxation

The question that arises is "Is the taxpayer an owner of the property if he has transferred the property to a child or to a Grantor Trust reserving either a life estate or a right to use and occupy?" The answer is yes. Under the New Jersey

Administrative Code N.J.A.C. 18:14-1.1 “owned” includes a life estate. The New Jersey Division of Taxation has taken the position that a right to use and occupy is a life estate.

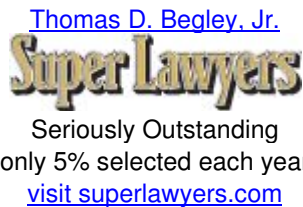
The firm suggests that if you experience any difficulty in processing your application for a homestead tax rebate, that you send the Division of Taxation a copy of your deed. Highlight the section in the deed that reserves the life estate or the right to use and occupy. Refer in your letter to N.J.A.C. 18:14-1.1 defining “owned”.



Announcements

Begley & Bookbinder is please to announce that we have added our Preferred Client Program Video to our website. To view please visit our website at www.begleylawyer.com.

Thomas D. Begley, Jr., has been named as one of New Jersey’s Super Lawyers.



Dana Bookbinder has been named as one of the *Rising Stars* for 2008. Only 5% of the lawyers in the state are listed in Super Lawyers, and only 2.5% of the lawyers in the state are listed in *Rising Stars*.

The selections for *Super Lawyers* and *Rising Stars* are made by *Law & Politics*, a division of Key Professional Media Inc. of Minneapolis, Minnesota. Each year, *Law & Politics* undertakes a rigorous multi-phase selection process that includes a statewide survey of lawyers, independent evaluation of candidates by *Law & Politics*’ attorney-led research staff, a peer review of candidates by practice area, and a good-standing and disciplinary check.

Speakers

If you are interested in having an Elder & Disabilities Law Attorney from Begley & Bookbinder speak at an event, please contact Colleen Caruso at (856) 787-4237.

Begley & Bookbinder

Begley & Bookbinder, P.C. is an Elder & Disability Law Firm with offices in Moorestown, Stone Harbor and Lawrenceville, New Jersey and Oxford Valley, Pennsylvania and can be contacted at 800-533-7227. The firm services southern and central New Jersey and eastern Pennsylvania.

The Firm provides services in connection with protecting assets from nursing home costs, Medicaid applications, Estate Planning and Estate Administration, Special Needs Planning and Guardianships. If you have a legal problem in one of these areas of law, contact Begley & Bookbinder at 800-533-7227.

Begley & Bookbinder has prepared **Special Reports** concerning:

- ❖ *Planning for Long Term Care*
- ❖ *Estate Planning for Parents with Children with Disabilities*
- ❖ *Understanding Estate Planning*
- ❖ *Estate Administration*
- ❖ *Blended Families*
- ❖ *Bloodline Trusts*
- ❖ *Vacation Area Homes – Tax and Management Issue*
- ❖ *Special Needs Trusts*
- ❖ *Utilizing Special Needs Trusts in Matrimonial Cases.*
- ❖ *Using Special Needs Trust to Protect Public Benefits*
- ❖ *Resolving Your Nursing Home Medicaid Application Challenge*
- ❖ *Domestic Partners*
- ❖ *Providing for Your Pet*
- ❖ *Providing for Your Grandchildren*
- ❖ *Charitable Giving*
- ❖ *Planning for Your Business*

Please contact Begley & Bookbinder at 800-533-7227 or visit our website at www.begleylawyer.com to obtain a **Special Report**.

Our web site contains a library of firm newsletters, articles, on-line forms for Medicaid, Estate Planning and Guardianship, as well as our upcoming speaking engagements, our products, and other relevant information.

If you have any comments, e-mail us at ccaruso@begleylawyer.com

Distribution of this Newsletter

Begley & Bookbinder encourages you to share this newsletter with anyone who is interested in the issues contained within the newsletter. This newsletter may be copied or distributed but with appropriate citation to Begley & Bookbinder, P.C. If you are interested in being added to our e-newsletter mailing list, please e-mail us at ccaruso@begleylawyer.com or by telephone at 800-533-7227.



Member, National Academy of Elder Law Attorneys

Copyright © 2008 by Begley & Bookbinder, P.C., 509 South Lenola, Building 7, Moorestown, NJ 08057

This newsletter is expressly produced to be sent electronically. If you know someone who would also like to receive this electronic newsletter, please have him or her e-mail us ccaruso@begleylawyer.com