

New Jersey Sales and Use Tax EZ Telefile System Instructions

(Forms ST-50 Quarterly Return and ST-51 Monthly Remittance Statement)

Do NOT Use for 3rd Quarter 2006

Rate Change

The New Jersey Sales and Use Tax will be reduced in two phases between 2017 and 2018. P.L. 2016, c.57 decreases the Sales and Use Tax rate from 7% to 6.875% on and after January 1, 2017. The tax rate will decrease to 6.625% on and after January 1, 2018.

Filing Forms ST-50/51 by Phone

Complete the EZ Telefile Worksheet, call the Business Paperless Telefiling System at 609-341-4800, and select "1" from the menu for the Sales and Use Tax EZ File System. You will be prompted to enter the information from your worksheet on your touch-tone telephone keypad. (NOTE: For best results, do not use a phone such as a cordless or cellular phone that has a keypad in the handset.) The system provides step-by-step instructions and repeats your entries to ensure accuracy. When your return is accepted, you will be given a seven-digit confirmation number as proof that your return was successfully filed. The telefiling system is available 24 hours a day, seven days a week.

Payments. The system automatically calculates the total amount that you owe based on the information that you provide. Be sure to enter all of the information that is requested on the worksheet. (See "Instructions for Telefile Worksheet" on page 3.) Payments must be made electronically using either electronic check (e-check), electronic funds transfer (EFT), or credit card. (See "How to Pay" on page 2.) During your phone call you will have an opportunity to pay the amount due by e-check or EFT debit. You can also pay the amount due outside the telefiling system using a credit card or EFT (debit or credit).

Identification. You will be asked to enter your New Jersey Taxpayer Identification Number and either your 4-digit Sales Tax Personal Identification Number (PIN) or the first four characters of your registered taxpayer name to access the system.

NOTE: For filing periods beginning on and after February 1, 2016, if your business sells new or used boats or other vessels (including motorboats, sailboats, yachts, and cruisers) that are eligible for the partial Sales and Use Tax exemption (half of the applicable Sales Tax rate) and the \$20,000 Sales Tax cap, you cannot use the Sales and Use Tax EZ Telefile System. You must file all quarterly returns and monthly remittance statements online and make the required payments electronically, even if your business made no sales that were eligible for the reduced Sales Tax rate or the Sales Tax cap for a particular period.

More information on the partial Sales Tax exemption and the \$20,000 Sales Tax cap is available on the Division of Taxation's website at www.state.nj.us/treasury/taxation/boatbill.shtml.

Filing Online

You can also file your Sales and Use Tax Returns and Remittance Statements (Forms ST-50/51) online at the Division of Taxation's website (www.njtaxation.org). Choose the "Businesses" tab in the center column, select "File Business Taxes/Fees," and then choose "Sales and Use Tax" to access the link to the online filing application.

Other Sales and Use Tax Returns

The forms listed below cannot be filed through the Sales and Use Tax EZ File System. Taxpayers must continue to complete and file these forms on paper according to the instructions that accompany the forms.

- Annual Business Use Tax Return (Form ST-18B).
- Sales and Use Tax Energy Return (Form ST-EN).

Who Must File

Every entity registered in New Jersey to collect Sales Tax or to remit Use Tax must file Sales and Use Tax returns and remittance statements on a regular basis. The amount of tax due for each filing period must be remitted to the State on or before the due date of the filing.

- **Quarterly Return (ST-50)** – All businesses are required to file Form ST-50 for each quarter, even if no tax is due and/or no sales were made for that particular quarter. The quarterly return must show total gross receipts for the entire three-month period covered by that quarterly return. The quarterly payment does not have to be made at the same time the ST-50 return is filed; however, making only the quarterly payment does not satisfy the requirement to file the return.
- **Monthly Remittance Statement (ST-51)** – Businesses that collected more than \$30,000 in New Jersey Sales and Use Tax during the preceding calendar year must also file Form ST-51 for the first and/or second month of a calendar quarter and make the required payment if the amount of tax due for that month exceeds \$500. If \$30,000 or less in Sales and Use Tax was collected in New Jersey during the preceding calendar year, a monthly remittance is not required, regardless of the amount of tax due for that particular month. When the amount due for any period covered by Form ST-51 is \$500 or less, payment for that month may be remitted with the next quarterly return (Form ST-50). Because no taxpayers are required to file Form ST-51 for periods in which \$500 or less is due, there is no provision for a "zero" monthly filing.

Taxpayers that are registered to remit payments by electronic funds transfer (EFT) must make monthly payments of Sales and Use Tax as required and must file ST-50 quarterly returns. EFT payers are not required to file ST-51 monthly remittance statements.

This packet contains four EZ Telefile Worksheets — one for each calendar quarter. You will record both your monthly (if required) and quarterly information on the same worksheet. The EZ Telefile Worksheets may be reproduced for future use. Copies are also available online or by phone. (See "Where to Get Information" on page 5.)

When to File

Both monthly remittance statements and quarterly returns are due by the 20th day of the month following the period covered by the filing. For example, a monthly remittance statement

(Form ST-51) for the month of November must be filed no later than December 20, and a quarterly return (Form ST-50) for the fourth quarter (ending December 31) must be filed by January 20. If a due date falls on a Saturday, Sunday, or legal holiday, the filing is due on the next business day. Returns and remittance statements transmitted by 11:59 p.m. on the due date will be deemed timely.

How to Pay

Payments made by 11:59 p.m. on the due date will be deemed timely, even if the settlement date (date payment is debited from the account) is after the filing deadline, provided the payment is made by e-check or EFT debit through the Business Paperless Telefiling System, or by credit card.

NOTE: E-check or EFT (debit or credit) payments made using an account that is funded from a financial institution outside the United States will not be accepted.

Electronic Check (e-check)

You will be given an opportunity during your telephone call to pay your tax liability by e-check. If you choose to pay by e-check, be sure to enter the nine-digit routing number and the account number (up to 17 characters – numbers only) in the Payment Information section of the worksheet **before** you make your call.

John Smith
Jane Smith
123 Main Street
Trenton, NJ 08611

PAY TO THE ORDER OF: \$ [] DOLLARS

Date: []

Routing number: [] Account number: []

Do not include the check number

1234

If you choose not to pay the tax due when you file your quarterly return, you can make an e-check payment by itself in a separate call later. However, your quarterly payment must be made by the due date to avoid penalty and interest charges.

Electronic Funds Transfer (EFT)

Taxpayers with a prior year liability of \$10,000 or more in any tax are required to make their payments for all taxes by EFT. Other taxpayers may voluntarily submit payments by EFT with the approval of the Division of Revenue and Enterprise Services. You must enroll with the Division of Revenue and Enterprise Services to pay by either EFT debit or credit. The enrollment process may take several weeks. For more information on making payments by EFT debit or credit, call 609-292-9292, write to New Jersey Division of Revenue and Enterprise Services, EFT Unit, PO Box 191, Trenton, NJ 08646-0191, or visit the Division of Revenue and Enterprise Services' website at www.state.nj.us/treasury/revenue/eft1.shtml. Taxpayers that are required to remit payments by EFT can satisfy the EFT requirement by making e-check or credit card payments. FED Wires or other wire transfers are not acceptable methods of EFT payments.

If you are an EFT debit payer, you can initiate payments through the Business Paperless Telefiling System when filing. If you choose not to pay the tax due at the same time you file your quarterly return, you can make an EFT debit payment by itself in a separate call later. EFT credit payers must make their Sales and Use Tax payments as separate transactions outside the Business Paperless Telefiling System. Your payment must be made by the due date to avoid penalty and interest charges.

Credit Card

To pay your tax liability by credit card, call 888-673-7694 or go to the Division of Taxation's website at www.njtaxation.org after you have completed your telephone filing and received a confirmation number. When paying online, choose the "Businesses" tab in the center column and then choose "File

Business Taxes/Fees." Select "Sales and Use Tax" and then click on the link "File Online ST-50/51." Once you have entered your New Jersey Taxpayer Identification Number and PIN (or business name), choose "All Other Payments – Deficiencies" from the list, enter the month and year for which you are making a payment, and continue. Fees apply when you pay by credit card. The fee is added to your actual payment.

Penalties, Interest, and Fees

Failure to file a return by the due date and/or failure to remit any taxes due by the due date will result in penalty and interest charges. Anyone required to collect Sales and Use Tax does so as a trustee on behalf of the State of New Jersey. As trustees of the State, business owners, partners, corporate officers, and some employees of such businesses may be held personally liable for failure to collect the tax when required or for failure to file returns and remit any taxes due on a timely basis.

Late Filing Penalties

The late filing penalty is 5% per month (or fraction thereof) of the balance of tax liability due at original return due date not to exceed 25% of such tax liability. A penalty of \$100 per month (or fraction thereof) for each month the return is late will also be imposed.

Late Payment Penalty

The late payment penalty is 5% of the balance of the taxes due and paid late.

Interest

The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month (or fraction thereof) on the unpaid balance of the tax from the original due date to the date of payment. At the end of each calendar year any tax, penalties, and interest remaining due will become part of the balance on which interest is charged.

NOTE: The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1 of the calendar year immediately preceding the calendar year in which the payment was due or as determined by the Director in accordance with [N.J.S.A. 54:48-2](#).

Collection Fees

In addition to the above penalties and interest, if your tax bill is sent to a collection agency, a referral cost recovery fee of 10.7% of the tax due will be added to your liability. If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection may also be imposed.

General Information

Lease Transactions

A lessor must collect Sales Tax from a lessee (person who leases or rents property) on a lease or rental. For transactions with a term of *six months or less*, Sales Tax must be collected with each periodic payment. For transactions with a duration of *more than six months*, the tax due on the full term of the lease must be remitted with the monthly remittance statement or quarterly return for the period in which the property was delivered to the lessee. The amount upon which the tax was calculated must be included in gross receipts on the quarterly return (ST-50). This amount will be either the original purchase price of the property or the total of the lease payments.

Gross Receipts

The accrual method of accounting must be used when reporting gross receipts. Under this method, all receipts are reported in the period in which the sale took place, no matter when, or if, payment is actually received from the customer.

Report gross receipts from all transactions, *including exempt transactions*, that occurred during the three-month reporting period covered by the quarterly return (Form ST-50). This includes, but is not limited to:

- Sales of tangible personal property or digital property, including the rental, storage, and use of tangible personal property or digital property.
- Receipts from parking, garaging, and storing of motor vehicles.
- Receipts from membership fees, initiation fees, and dues.
- Receipts from lease transactions.
- Sales of services.
- Sales of prepared foods.
- Room occupancy charges.
- Admission and amusement charges.
- Receipts from sales of less than \$0.08.
- Installment sales or other sales on credit made during the quarter.

NOTE: Businesses subject to Atlantic City Luxury Tax must include in gross receipts the "Total Gross Receipts" amounts reported on Line 1, Column B of Form ST-250 (Combined Atlantic City Luxury Tax/State Sales Tax Monthly Return) for each month of the quarter.

Do not include in gross receipts:

- Installment *payments* from installment sales or other sales on credit.
- Sales Tax collected.
- Trade-in allowances.
- Sales of alcoholic beverages at wholesale.

Adequate records should be maintained showing separately all exclusions from gross receipts.

Deductions

You may deduct the amount of all sales included in gross receipts that are not taxable under New Jersey law. **No deduction may be taken for any amount that was not included in gross receipts on your return.** Deductions may be taken only *once*. For example, if a deduction has been taken for an exempt clothing sale, you may not deduct the amount again as a sale of property that was delivered out of State. Examples of exclusions and deductions include, but are not limited to:

Sales Jointly Taxable by Atlantic City and New Jersey.

Businesses subject to Atlantic City Luxury Tax may deduct the "Taxable Receipts" amount from Line 3, Column B of the Combined Atlantic City Luxury Tax/State Sales Tax Monthly Return, Form ST-250.

Excluded Fees for Parking, Garaging, and Storing of Motor Vehicles. Deduct charges for residential parking or employee parking provided by an employer.

Exempt Sales of Tangible Personal Property. Deduct the sales of any tangible personal property that is specifically

exempt from Sales Tax (e.g., sales of grocery foods, clothing, etc.).

Exempt Sales of Services. Deduct total charges for services that are not subject to Sales Tax (e.g., professional services, certain personal services, etc.).

Exempt Occupancies. Deduct receipts from occupancies exceeding 90 consecutive days.

Exempt Admissions. Deduct any admission charges to sporting activities where a patron was a participant.

Sales Covered by Certificates. Deduct receipts from sales of property or services for which a valid New Jersey exemption certificate or Streamlined Sales and Use Tax Agreement Certificate of Exemption was accepted in lieu of tax.

Returned Property. Deduct the total sales price of taxable purchases returned by the customer. Include only the amounts refunded or credited to the customer. Do not include:

- Sales Tax collected on returned purchases.
- Returns that were not subject to Sales Tax.
- Amounts not included in gross receipts on any return.

No deduction may be taken for returned property that has been or will be deducted as an exempt sale on any Sales and Use Tax return.

Property Delivered Out of New Jersey. Deduct total sales of property that was shipped to an out-of-State purchaser by common carrier, delivered to an out-of-State purchaser by the seller in its own carrier, or delivered by the seller to an out-of-State purchaser through an unregulated carrier hired by the seller. Do not include sales of property to an out-of-State purchaser if the customer took possession of the items in New Jersey.

Services Performed Outside of New Jersey. Deduct receipts from services performed outside of New Jersey.

Exempt Capital Improvements. Contractors may deduct sales of services that result in exempt capital improvements to real property. Contractors are required to obtain a fully completed Certificate of Exempt Capital Improvement (Form ST-8) from customers for such transactions.

Rounding Off to Whole Dollars

Eliminate any amount under 50 cents and increase any amount 50 cents or over to the next higher dollar. Round amounts for the quarterly gross receipts and deductions lines only. No other lines are to be rounded.

Instructions for Telefile Worksheet Identification

New Jersey Taxpayer Identification Number. Enter your 12-digit New Jersey Taxpayer Identification Number as it appears on your New Jersey Certificate of Authority. If your ID number begins with the letters "NJ," enter "6," "5," and the remaining 10 digits. (NOTE: If you do not enter your ID number correctly, you will not be able to file.)

PIN/Taxpayer Name. Enter your four-digit Sales Tax PIN (Personal Identification Number) or the first four characters of your registered taxpayer name. If you are entering your taxpayer name, use only letters and numbers. Omit symbols and spaces.

(NOTE: If you do not enter your PIN or the first four characters of your taxpayer name correctly, you will not be able to file.)

Contact Phone Number. Enter the area code and phone number of a contact person for the taxpayer.

Tax Preparer's Identification Number. If the return or remittance statement is being filed by a tax preparer, enter the preparer's nine-digit federal identification number or Social Security number. This information will be requested during the signature portion of the phone call.

Return Information

FORM ST-51 – MONTHLY REMITTANCE STATEMENT

Complete this section if you are filing a monthly remittance statement for the first or second month of the quarter. *You are required to file a monthly remittance statement only if you collected more than \$30,000 in Sales and Use Tax in New Jersey during the preceding calendar year, and only if the amount of tax due for that month exceeds \$500.* If you are filing a quarterly return, go to "Form ST-50 — Quarterly Return," below.

There are two monthly remittance statement sections on the worksheet; one for the first month of the quarter and one for the second month of the quarter. Complete the section that corresponds to the month for which you are filing.

Line 1 – Period Covered by Remittance Statement. The two-digit number of the month (e.g., "01" for January, "02" for February) covered by the remittance statement is preprinted on this line of your worksheet. Enter the four-digit year in which the month fell in the boxes to the right of the month.

Line 2 – Amount of Tax Due. Multiply the total monthly taxable receipts (gross receipts minus deductions) by the Sales Tax rate. Do not include in gross receipts amounts collected for Sales Tax. Enter on Line 2 the larger of this figure or the actual amount of Sales Tax collected for that month. Also include any Use Tax that is due. NOTE: A monthly remittance statement cannot be filed by phone if the amount due is less than one dollar. Monthly payments of less than one dollar must be included with your quarterly return.

Line 3 – Penalty and Interest. Calculate any penalty and interest charges incurred for late payment and/or late filing for the month and enter the amount on Line 3. If you are unable to determine this amount, enter "0." The State will calculate the penalties and interest and send you a bill.

Line 4 – Total Amount Due. The system will calculate the total amount due and provide the amount to you. Enter the amount stated on Line 4. Continue completing the worksheet with the "Payment Information" section. (See instructions on page 5.)

FORM ST-50 – QUARTERLY RETURN

Complete this section when you are filing for the third month of the quarter. A quarterly return must be filed for each quarter, even if no tax is due and/or no sales were made during that quarter.

Line 1 – Period Covered by Return. The number that reflects the calendar quarter covered by the return (e.g., "1" for the first quarter, "2" for the second quarter, etc.) is preprinted on this line of your worksheet. Enter the four-digit year in which the quarter fell in the boxes to the right of the quarter.

Line 2 – Gross Receipts for Quarter. Enter on Line 2 the total gross receipts (to the nearest dollar) from all transactions, including exempt transactions, that occurred during the three-month reporting period covered by the return. (See "Gross Receipts" on page 3 for more information.) If you had no gross receipts for the quarter, enter "0."

Line 3 – Deductions. Enter on Line 3 the amount of all sales (to the nearest dollar) included on Line 2 that are not taxable under New Jersey law. (See "Deductions" on page 3 for more information.) If you had no deductions for the quarter, enter "0."

Line 4 – Amount of Tax Collected. Enter on Line 4 the amount of Sales Tax collected for the quarter. If you did not collect any Sales Tax for the quarter, enter "0."

Line 5 – Sales Tax Due. The system will calculate the Sales Tax due and provide the amount to you. (The amount of Sales Tax due may be greater than the amount collected.) Enter the amount stated on Line 5.

Line 6 – Use Tax Due. Enter on Line 6 the total amount of Use Tax due for taxable tangible personal property or taxable services used during the quarter on which no Sales Tax was paid. (For more information, see publication ANJ-7, *Use Tax in New Jersey*.)

Do not include here any tax due on lease transactions. If you had no Use Tax liability for the quarter, enter "0."

NOTE: Direct payment permit holders enter the total Sales and Use Tax liability on taxable purchases and uses during the quarter covered by the return.

Line 7 – Total Tax Due. The system will calculate the total tax due and provide the amount to you. Enter the amount stated on Line 7.

Line 8 – Total Monthly Payments Previously Made. If you have already paid part of your quarterly liability with a monthly remittance statement (Form ST-51) for the first and/or second month of the quarter, or by electronic funds transfer, enter the total of these payments on Line 8. If you did not make any monthly payments for the quarter, enter "0."

Line 9 – Quarterly Amount Due. The system will calculate the Sales and Use Tax balance due for the quarter and provide the amount to you. Enter the amount stated on Line 9. If your total monthly payments (Line 8) exceed the total tax due (Line 7), you may be eligible for a refund. (To obtain a refund you must file a Claim for Refund, Form A-3730, which is available online and by phone. See "Where to Get Information" on page 5.) Enter "0" here and on Line 11 and continue filing the quarterly return.

Line 10 – Penalty and Interest. Calculate any penalty and interest charges incurred for late payment and/or late filing for the quarter and enter the amount on Line 10. If you are unable to determine this amount, enter "0." You will be billed for any penalty or interest due.

Line 11 – Total Amount Due. The system will calculate the total amount due for the quarter and provide the amount to you. Enter the amount stated on Line 11. If you have a balance due, you must pay by e-check, credit card, or EFT. (See "How to Pay" on page 2.) You are not required to submit your payment on the same date as your telephone call, however, your payment must be made by the due date to avoid penalty and interest charges.

Payment Information

If you want to pay by e-check, enter on the worksheet the nine-digit bank routing number, the account number (omit hyphens, spaces, symbols, and letters), the type of account, and the date you want the payment to be debited from your account. If you are paying by EFT debit during your phone call, enter only the account type and the payment debit date. The earliest date you may select is the next business day. However, payment transactions initiated by 11:59 p.m. on the due date will be deemed timely, even if the settlement date (date payment is debited from the account) is after the filing deadline.

You can also pay by credit card or EFT (debit or credit) after you have completed your telephone filing and received a confirmation number. (See "How to Pay" on page 2.)

NOTE: E-check or EFT (debit or credit) payments made using an account that is funded from a financial institution outside the United States will not be accepted.

Signature and Confirmation

Signature. You are required to affirm and sign your return or remittance statement by agreeing to the following statement and then providing a voice signature: "I verify and affirm that all tax information provided during this telephone call is correct. I am aware that if any of the information provided by me is knowingly false, I am subject to punishment." Your return or remittance statement cannot be processed without this affirmation or a signature. Tax preparers filing on behalf of clients will also be required to enter their own tax identification number.

Confirmation Number. After you sign your return or remittance statement, stay on the line until the system assigns you a seven-digit confirmation number. This number serves as proof that your filing was completed. Enter the number and the date you filed your return or remittance statement in the boxes on the worksheet for the appropriate period along with the name of the person who "signed" the return or remittance statement. **Your return or remittance statement is not filed until you receive a confirmation number.**

Your confirmation number is your only proof that your return or remittance statement was filed. Enter it on your worksheet and keep the worksheet for your business files for four years in case of audit. **Do not mail it to the Division of Taxation.**

If you file your quarterly return in one phone call, but make your quarterly payment by e-check or EFT debit in a separate call to the Business Paperless Telefiling System, you will receive a separate confirmation number for the payment transaction.

Amended Returns

Errors on monthly remittance statements (Forms ST-51) are to be adjusted on the quarterly return (Form ST-50) for that quarter. Errors on quarterly returns must be corrected by filing an amended return. You may amend a quarterly return through the Business Paperless Telefiling System or online. If the correction results in an overpayment of tax for the quarter, file a Claim for Refund (Form A-3730). To obtain Form A-3730, visit the Division of Taxation website or call the Forms Request System. (See "Where to Get Information" below.)

Where to Get Information

By Phone

Call the Division of Taxation's Customer Service Center at **609-292-6400**.

Online

- Division of Taxation website:
www.njtaxation.org
- Email general State tax questions:
nj.taxation@treas.nj.gov
Do not include confidential information such as Social Security or federal tax identification numbers, liability or payment amounts, dates of birth, or bank account numbers in your email.

Forms and Publications

To obtain copies of the EZ Telefile Worksheet and Instructions, as well as other tax forms and publications:

- Visit the Division of Taxation's website:
Forms: **www.state.nj.us/treasury/taxation/forms.shtml**
Publications: **www.state.nj.us/treasury/taxation/pubs.shtml**
- Call the Forms Request System at **800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** (touch-tone phones only) to have printed forms or publications mailed to you.
NOTE: Due to budgetary constraints, supplies are limited and only certain forms and publications can be ordered through this System.

In Person

Visit a New Jersey Division of Taxation regional office. For the address of the office nearest you, call the Automated Tax Information System from a touch-tone phone at **800-323-4400** (within NJ, NY, PA, DE, and MD) or **609-826-4400** or visit our website (www.state.nj.us/treasury/taxation/ot1.shtml).