



NEW JERSEY

2018 CBT-100

General Instructions For CORPORATION BUSINESS TAX RETURN AND RELATED FORMS

Form CBT-100	Corporation Business Tax Return
Form CBT-100-V	Payment Voucher
Form CBT-160-A	Underpayment of Estimated Corporation Tax
Form CBT-160-B	Underpayment of Estimated Corporation Tax
Form CBT-200-T	Tentative Return and Application for Extension of Time to File Return
Tax Credit Forms	Applicable New Jersey Corporation Business Tax Credit Forms for the Current Tax Year

TO FILE AND PAY THE ANNUAL REPORT
ELECTRONICALLY, VISIT THE DIVISION OF
REVENUE AND ENTERPRISE SERVICES
WEBSITE AT: www.nj.gov/treasury/revenue

2018 New Jersey Corporation Business Tax

Electronic File and Electronic Pay Mandate for Corporation Business Tax

For tax years beginning on or after January 1, 2016, all taxpayers and tax preparers must file Corporation Business Tax returns and make payments electronically. This mandate includes all returns, estimated payments, extensions and vouchers.

You may file your extension or make a payment by EFT, e-check, or credit card through the Division of Taxation's online Corporation Business Tax Service at www.nj.gov/treasury/taxation/online.shtml

CBT-100 – TABLE OF CONTENTS

Subject / Instruction Number	Page
Accounting Method 9	3
Accounting Periods 3(a)	1
Allocation 32, 33	8
Alternative Minimum Assessment 23	6
Amended Returns 48	14
Consolidated Returns 8(a), 16(a)(3)	2, 4
Credit for Installment Payments 45(a)	14
Credit to Combined Group 4(c)	2
Deduction for Foreign Taxes Deemed Paid 16(h)	5
Depreciation and Safe Harbor Leasing 42	9
DISCs 8(c)	2
Dividend Exclusion 16(j), 41	5, 9
Due Dates 3(a)	1
Electronic Funds Transfers 5	2
Estimated Tax Installment Payments 44, 45(a)	13, 14
Extension of Time to File Return 7	2
Federal Adjustments to Income 15	4
Filing Qualifications and Requirements 13	3
FSCs 8(d)	3
Financial Business Corporation 8(e)	3
Inactive Corporations 2(b), 30	1, 8
Index	15
Installment Payment 4(b), 7(d), 44	2, 13
Interest 46	14
Interest and Intangible Expenses and Costs 28	7
Investment Companies 11(b), 34	3, 8
Minimum Tax 11(d), 22	3, 6
New Corporations 3(b)	1
Net Operating Loss 16(i)	5
Nexus – Immune Activity Declaration 36	8
Nonoperational Activity 37	8
Optional Copies of Schedules 31	8
Overpayment Credit 45(c)	14
Partnership Investments 39	9
Partnership Payment 45(e)	14
Payment of Tax 4(a)	2
Penalties 7(e), 46	2, 14
Personal Liability of Officers and Directors in Dissolution or Liquidation 6	2
Professional Corporations 40	9
Real Estate Investment Trusts 11(b), 35	3, 8
Regulated Investment Companies 11(c), 35	3, 8
Riders 10	3
S Corporations 8(b)	2
Signature 14	4
Subsidiary Investments 38	8
Summary Schedule 20	6
Surtax 11(e)	3
Tax Rates 11	3
Taxes 29	7
Tentative Payment Credit 45(b)	14
Underpayment of Estimated Tax 46	14

CBT-100

STATE OF NEW JERSEY

DIVISION OF TAXATION

CORPORATION TAX

INSTRUCTIONS FOR CORPORATION BUSINESS TAX RETURN

(Form CBT-100 – 2018)

SCHEDULE CHART

TAXPAYER MUST COMPLETE SCHEDULES INDICATED BY “X” FOR ITS RESPECTIVE CLASS

CLASS OF TAXPAYER	SCHEDULES																								
	A	A-2	A-3	A-4	A-5	A-6	A-GR	AM	B	C	C-1	E	F	G	H	I	J	L	M	P	P-1	PC	Q	R	S
1. Non-Allocating	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					X	X	X	X	X	X
2. Allocating	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X
3. Invest. Company	X	X	X	X	X	X	X		X	X	X	X	X	X	X			X		X	X	X	X	X	X
4. Regulated Invest. Co.				X	X	X	X	X											X			X			
5. Real Estate Invest. Trust	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X		X	X	X	X	X
6. Professional Corporation	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X			X	X	X	X		X	X

NOTE: If applicable, Schedule G-2, Schedule N, Schedule O, Schedule RT, and Schedule PT are available from the Division’s website or Taxpayer Forms Service. Refer to the index on page 15.

1. COMPLETING RETURNS:

Please read all instructions carefully before completing returns.

(a) Statutory references are to the New Jersey Statutes Annotated and indicate, unless otherwise designated, the section of the Corporation Business Tax Act, as amended and supplemented, on which the instruction is based. To obtain additional information or tax forms, follow the instructions on page 15.

(b) Enter the Federal Employer Identification Number, New Jersey Corporation Number, Corporation Name and complete address and zip code in the space provided on the return.

(c) Provide the remaining information requested on the top portion of the return. The principal business activity code should be taken from the taxpayer’s federal tax return. Be sure to provide the location of the corporate books as well as a contact person and telephone number.

2. (a) Unless the corporation is inactive for the entire period covered by the return, all schedules and questions must be answered unless permission to omit or substitute is indicated on the return form. All applicable schedules must be submitted on the official New Jersey tax form. If the answer to any item is “No” or “None”, write “No” or “None.” Do not merely leave the item blank.

(b) **Inactive corporations** that, during the period covered by the return, did not conduct any business, did not have any income, receipts or expenses, and did not own any assets, need only submit pages 1 through 4 (1 through 6 if software generated) of the return along with Schedule I, Certification of Inactivity. Payment for the related minimum tax liability and the installment payment (if applicable) must be submitted electronically. Refer to instruction 30.

3. (a) **2018 ACCOUNTING PERIODS AND DUE DATES:** The 2018 Corporation Business Tax Return should only be used for accounting periods ending on and after July 31, 2018, through June 30, 2019. The due dates for all 2018 Corporation Business Tax Returns and payments are reported on the

following schedule. If the due date falls on a weekend or a legal holiday, the return and payment are due on the following business day.

If accounting period ends on:	July 31, 2018	Aug. 31, 2018	Sept. 30, 2018	Oct. 31, 2018	Nov. 30, 2018	Dec. 31, 2018
Due date for filing is:	Nov. 15, 2018	Dec. 15, 2018	Jan. 15, 2019	Feb. 15, 2019	Mar. 15, 2019	Apr. 15, 2019
If accounting period ends on:	Jan. 31, 2019	Feb. 28, 2019	Mar. 31, 2019	Apr. 30, 2019	May 31, 2019	June 30, 2019
Due date for filing is:	May 15, 2019	June 15, 2019	July 15, 2019	Aug. 15, 2019	Sept. 15, 2019	Oct. 15, 2019

NOTE: The start of the 2018 filing season was delayed due to clarifying language changes to the Corporation Business Tax statutes. Information on affected due dates is available on the Division of Taxation’s website (www.state.nj.us/treasury/taxation/automaticextension.shtml).

Calendar or fiscal accounting year is the same accounting period upon which the taxpayer is required to report to the United States Treasury Department for federal income tax purposes. Please note the ending month of the accounting period for federal returns and New Jersey returns must match, however, the tax return year for the federal and state returns may differ. (i.e., a tax year ending 8/31/18 may be filed on a 2017 federal Form 1120; the same tax year must be filed on a 2018 NJ CBT-100.) All accounting periods must end on the last day of the month, except that taxpayers may use the same 52-53 week accounting year that is used for federal income tax purposes, see N.J.A.C. 18:7-2.3.

If returns are required for a different year, please refer to the index on page 15 of this booklet.

(b) NEW CORPORATIONS:

(1) Every New Jersey corporation acquires a taxable status beginning 1) on the date of its incorporation, or 2) on the first day of the month following its incorporation if so stated in its certificate of incorporation. Every corporation that incorporates, qualifies or otherwise acquires a taxable status in New Jersey must file a Corporation

Business Tax Return. A tax return must be filed for each fiscal period, or part thereof, beginning on the date the corporation acquired a taxable status in New Jersey regardless of whether it had any assets or conducted any business activities. No return may cover a period exceeding twelve (12) months, even by a day.

- (2) Every corporation that elects to be a New Jersey S corporation must file a "New Jersey S Corporation or New Jersey QSSS Election" (Form CBT-2553) within one calendar month subsequent to the federal S corporation filing requirement.
 - (3) Every corporation that incorporates, qualifies, or otherwise acquires a taxable status in New Jersey and that has adopted a fiscal year other than December 31, shall advise the Division of Taxation promptly of the date of such accounting period. If no such advice is received on or before April 15, 2019, the taxpayer will be deemed "non-compliant" if no return is filed on or before April 15, 2019.
- (c) **TRANSACTIONING BUSINESS WITHOUT A CERTIFICATE OF AUTHORITY:** In addition to any other liabilities imposed by law, a foreign corporation that transacts business in this State without a certificate of authority shall forfeit to the State a penalty of not less than \$200, nor more than \$1,000 for each calendar year, not more than 5 years prior thereto, in which it shall have transacted business in this State without a certificate of authority. N.J.S.A. 14A:13-11(3).
4. (a) **PAYMENT OF TAX:** To make payments electronically, go to the Division of Taxation's website www.nj.gov/treasury/taxation and select "Make a Payment." Taxpayers who do not have access to the Internet may call the Division's Customer Service Center at 609-292-6400.
- (b) Corporations are required to make installment payments of estimated tax. Generally, these payments are remitted electronically from Corporation Business Tax Online Services and Payment Services at www.nj.gov/treasury/taxation/online.shtml. Refer to instruction 45 for further information. If tax liability is \$500, refer to 7(d).
- (c) If requested on the return, an overpayment of tax by a corporation will only be credited to a combined group of which the corporation is a member.
5. **ELECTRONIC FUNDS TRANSFERS:** Taxpayers with a prior year liability of \$10,000 or more in any tax are required to make their payments for all taxes by Electronic Funds Transfer (EFT). For information or to enroll in the program, visit the Division of Revenue and Enterprise Services' website at www.nj.gov/treasury/revenue/eft1.shtml, call 609-984-9830, fax 609-292-1777, or write to NJ Division of Revenue and Enterprise Services, EFT Section, PO Box 191, Trenton, NJ 08646-0191.

NOTE: Taxpayers who are required to remit payments by EFT can satisfy the EFT requirement by making e-check or credit card payments.

6. **PERSONAL LIABILITY OF OFFICERS AND DIRECTORS:** Any officer or director of any corporation who shall distribute or cause to be distributed any assets in dissolution or liquidation to the stockholders without having first paid all corporation franchise taxes, fees, penalties and interest imposed on said corporation, in accordance with N.J.S.A. 14A:6-12, N.J.S.A. 54:50-18 and other applicable provisions of law, shall be personally liable for said unpaid taxes, fees, penalties, and interest. Compliance with N.J.S.A. 54:50-13 is also required in the case of certain mergers, consolidations and dissolutions.

7. EXTENSION OF TIME TO FILE RETURN/INSTRUCTIONS FOR FORM CBT-200-T:

- (a) **AUTOMATIC EXTENSION:** If a tentative return, Form CBT-200-T, and tax payment are timely and properly filed, it is the policy of the Division of Taxation to grant an extension of no more than six (6) months for filing the CBT-100.

The return must include the computation of tax liabilities on lines 1 and 2 and, if applicable, the Key Corporation AMA payment on line 3, and the Tentative Professional Fees on lines 5 and 6. File the completed CBT-200-T with payment of the total amount due as reflected on line 8. The tentative return must be filed on or before the original due date of the tax return.

- (b) If a request for extension is duly made, it will be granted by the Division. Approved extensions will not be confirmed in writing.
- (c) **MINIMUM TAX:** See instruction 11(d).
- (d) **INSTALLMENT PAYMENT:** Any taxpayer with a tax liability of \$500 on line 1, may make a payment of 50% of line 1 in lieu of making the installment payments otherwise required. Taxpayers that report a tax liability greater than \$500 on line 1 should not make an entry on line 2 and are required to make installment payments of estimated tax indicated in instruction 44. Any taxpayer with Professional Corporation Fee liabilities at line 5 must report and remit an installment payment of 50% of line 5.

(e) PENALTIES AND INTEREST

- (1) **Interest** – The interest rate assessed on outstanding tax balances is Prime Rate plus 3%. For information on how it is calculated or to find the rate, visit www.nj.gov/treasury/taxation/interest.shtml.
- (2) **Insufficiency Penalty** – If the amount paid with the Tentative Return, Form CBT-200-T, is less than 90% of the tax liability computed on Form CBT-100, or in the case of a taxpayer whose preceding return covered a full 12 month period, is less than the amount of the tax computed at the rates applicable to the current accounting year but on the basis of the facts shown and the law applicable to the preceding accounting year, the taxpayer may be liable for a penalty of 5% per month or fraction thereof not to exceed 25% of the amount of underpayment from the original due date to the date of actual payment.

8. (a) **CONSOLIDATED RETURNS NOT PERMITTED:** For tax years ending on or before July 30, 2019, a corporation that is included in a consolidated federal income tax return must complete all schedules on its own separate basis and attach a copy of the Affiliations Schedule, Form 851, which it filed with Form 1120 for federal income tax purposes. For tax years ending on and after July 31, 2019, combined returns are either mandatory or permitted.

- (b) **FEDERAL S CORPORATIONS:** Federal S corporations that have not elected and been authorized to be New Jersey S corporations must complete this return as though no election had been made under Section 1362 of the Internal Revenue Code. A copy of Form 1120S as filed must be submitted. Lines 1 through 28 on Schedule A of the CBT-100 must be completed. New Jersey S corporations must file the New Jersey S Corporation Business Tax Return, Form CBT-100S.

- (c) **DOMESTIC INTERNATIONAL SALES CORPORATIONS (DISC):** A Domestic International Sales Corporation must complete this return as though no election had been made

under Sections 992-999 of the Internal Revenue Code. A DISC must complete all applicable schedules on the return.

(d) **FOREIGN SALES CORPORATIONS (FSC):** An FSC must complete this return as though no election had been made under Sections 922-927 of the Internal Revenue Code. An FSC must complete all applicable schedules on the return. Under Section 5, P.L. 106-519, no corporation may elect to be an FSC after September 30, 2000.

(e) **FINANCIAL BUSINESS CORPORATIONS:** Corporations that qualify as financial businesses, those which derive 75% of their gross income from the financial activities enumerated at N.J.A.C. 18:7-1.16(a)1 through (a)7, must file the New Jersey Corporation Business Tax Return for Banking and Financial Business, Form BFC-1. Forms and information can be obtained from the Division of Taxation, Special Audit Section, PO Box 271, Trenton, NJ 08695-0271 or by calling 609-292-5301.

9. ACCOUNTING METHOD: The return must be completed using the same method of accounting, cash, accrual or other basis, that was employed in the taxpayer's federal income tax return.

10. RIDERS: If space is insufficient, attach riders in the same form as the original printed sheets. Write on only one side of each sheet.

11. TAX RATES:

(a) For taxpayers with Entire Net Income (the total of page 1, lines 1 and 4(b) plus the amount from Schedule A-6, line 11) greater than \$100,000, the tax rate is 9% (.09) on adjusted entire net income or such portion thereof as may be allocable to New Jersey.

For taxpayers with Entire Net Income (the total of page 1, lines 1 and 4(b) plus the amount from Schedule A-6, line 11) greater than \$50,000 and less than or equal to \$100,000, the tax rate is 7.5% (.075) on adjusted entire net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 7.5% rate if the prorated entire net income does not exceed \$8,333 per month.

For taxpayers with Entire Net Income (the total of page 1, lines 1 and 4(b) plus the amount from Schedule A-6, line 11) of \$50,000 or less, the tax rate is 6.5% (.065) on adjusted net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 6.5% rate if the prorated entire net income does not exceed \$4,166 per month.

(b) **INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS:** The tax payable by Investment Companies and Real Estate Investment Trusts shall be computed at the rates stated in (a) above. The minimum tax is computed in accordance with (d) below.

(c) **REGULATED INVESTMENT COMPANY:** The tax payable by a qualified Regulated Investment Company is computed in accordance with (d) below.

(d) **MINIMUM TAX:** The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	Minimum Tax
Less than \$100,000	\$500
\$100,000 or more but less than \$250,000	\$750
\$250,000 or more but less than \$500,000	\$1,000
\$500,000 or more but less than \$1,000,000	\$1,500
\$1,000,000 or more	\$2,000

If a taxpayer is a member of an affiliated or controlled group (as per sections 1504 or 1563 of the Internal Revenue Code of 1986) that has a total payroll of \$5,000,000 or more for the tax year, the minimum tax is \$2,000. Tax years of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. Total payroll refers to the total payroll of the affiliated group rather than total New Jersey payroll of a single corporation. Taxpayers that are members of an affiliated or controlled group must submit a schedule of payroll per member and a copy of the taxpayer's federal affiliations schedule, Form 851, with the return. Refer to Schedule A-GR for the determination of New Jersey gross receipts.

The minimum tax cannot be prorated. Zero (0) returns are not permitted.

(e) **SURTAX:** Every business entity that is subject to the corporation business tax is also subject to the surtax if the business entity has an **allocated taxable net income** in excess of \$1,000,000 (i.e., if line 3c or line 6 or line 7 of page 1, Form CBT-100 is more than \$1,000,000). The surtax is imposed on the allocated taxable net income for tax years beginning on or after January 1, 2018. Public utilities and New Jersey S corporations (as defined in N.J.S.A. 54:10A-4(q) and N.J.S.A. 54:10A-4(p), respectively) are exempt from the surtax. The rate is imposed as follows:

- 2.5% for tax years beginning on or after January 1, 2018, through December 31, 2019; and
- 1.5% for tax years beginning on or after January 1, 2020, through December 31, 2021.

I.R.C. §965 dividends are not subject to the surtax. If line 3c or line 6 or line 7 of page 1, Form CBT-100 includes §965 dividends that are excluded for purposes of computing the surtax, attach a rider detailing the information.

12. WHO MAY BE SUBJECT TO TAX: Any domestic or foreign corporation, joint-stock company or association, and any business conducted by a trustee or trustees wherein interest or ownership is evidenced by a certificate of interest or ownership or similar written instrument is subject to tax. This includes limited partnership associations organized pursuant to N.J.S.A. 42:3-1 et seq., and foreign limited partnership associations. No new limited partnership associations shall be formed in New Jersey after September 21, 1988.

In general, limited liability companies are required to file for New Jersey purposes in the same manner that they report for federal purposes.

13. CORPORATIONS REQUIRED TO FILE THIS RETURN:

(a) In general, every corporation existing under the laws of the State of New Jersey; and

(b) Every foreign corporation that (1) holds a general certificate of authority to do business in this State issued by the Secretary of State; or (2) holds a certificate, license, or other authorization issued by any other department or agency of this State, authorizing the company to engage in corporate activity within this State; or (3) derives income from this State; or (4) employs or owns capital within this State; or (5) employs or owns property in this State; or (6) maintains an office in this State, is required to file a return. A foreign corporation that is a partner of a New Jersey partnership is deemed subject to tax in the state and must file a return.

(c) Foreign corporations that meet the filing requirements and whose income is immune from tax pursuant to Public Law 86-272, 15 U.S.C. § 381 et seq., must obtain and complete

Schedule N, Nexus - Immune Activity Declaration, and all of the schedules from the CBT-100. Public Law 86-272 filers are not subject to the surtax imposed by N.J.S.A. 54:10A-5.41, and will enter zero on Page 1, line 12. Remit the alternative minimum tax or at least the minimum tax with the CBT-100. Refer to instruction 36.

(d) Corporations that are “out of business” but have not dissolved or withdrawn their authority to do business in New Jersey, are still obligated to file a return. A dissolution or withdrawal date must be established on or before the last day of the current taxable period in order to avoid having to file a return for the next taxable period.

14. SIGNATURE: Each return must be signed by an officer of the corporation who is authorized to attest to the truth of the statements contained therein. The fact that an individual’s name is signed on the return shall be prima facie evidence that such individual is authorized to sign the return on behalf of the corporation. Tax preparers who fail to sign the return or provide their assigned tax identification number shall be liable for a \$25 penalty for each such failure. If the tax preparer is not self-employed, the name of the tax preparer’s employer and the employer’s tax identification number should also be provided. In the case of a corporation in liquidation or in the hands of a receiver or trustee, certification shall be made by the person responsible for the conduct of the affairs of such corporation.

15. FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT: Any change or correction made by the Internal Revenue Service to the federal taxable income must be reported to the Division within ninety (90) days. To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year and write “AMENDED RETURN” clearly on the front page of the form. Refer to instruction 48 for additional information.

FEDERAL/STATE TAX AGREEMENT: The New Jersey Division of Taxation and the Internal Revenue Service participate in a Federal/State program for the mutual exchange of tax information to verify the accuracy and consistency of information reported on federal and New Jersey tax returns.

16. SCHEDULE A – COMPUTATION OF ENTIRE NET INCOME: Every taxpayer must complete this schedule on the form provided. Federal S corporations must also submit a copy of the corresponding federal income tax return. For New Jersey tax purposes, each such corporation will be taxed on the basis of its entire net income in the same manner and to the same extent as if no federal income tax election were permissible or had been made. Refer to instruction 8.

(a) **GENERAL – LINES 1 THROUGH 38:**

- (1) If the corporation has filed a federal income tax return on its own separate basis, the figures shown at lines 1 to 28 must be the same as lines 1 to 28 on page 1 of the federal income tax return, Form 1120.
- (2) If the corporation has not filed a separate federal income tax return or if the figures shown at lines 1 to 28 are not the same as lines 1 to 28 on page 1 of the federal income tax return, taxpayer must explain and reconcile the differences on a rider.
- (3) **CONSOLIDATED RETURNS NOT PERMITTED:** For tax years ending on or before July 30, 2019, a corporation that is included in a consolidated federal income tax return must complete lines 1 to 38 on its own separate basis without consolidation with any other corporation. Refer to instruction 8(a).
- (4) For tax years ending on and after July 31, 2019, combined returns are either mandatory or permitted.

(5) Internal Revenue Code section 199 was repealed for tax years beginning on and after January 1, 2018. A taxpayer is not allowed an I.R.C. §199 deduction for New Jersey corporation business tax purposes for tax years beginning on and after January 1, 2018. When completing line 25, Schedule A for the 2018 CBT-100 return, if the taxpayer’s tax year began before January 1, 2018, the taxpayer may be able to deduct the allowable amounts of the I.R.C. §199 deduction as permitted under the Corporation Business Tax Act.

NOTE: Internal Revenue Code section 199A was enacted as a replacement for Internal Revenue Code section 199, effective for tax years beginning on and after January 1, 2018, and applicable to individual shareholders. New Jersey has decoupled from Internal Revenue Code section 199A, for New Jersey corporation business tax purposes. Therefore, amounts that were deducted for federal purposes must be added back. Add back the amounts on line 33(b), and if applicable attach a rider.

(6) For tax years beginning on and after January 1, 2018, I.R.C. §951A and I.R.C. §250(b) amounts included in income for federal purposes must be included for New Jersey purposes. Include these amounts on Schedule A, lines 10a and/or 10b, respectively. There is an equivalent deduction allowable for New Jersey purposes in the amount of the deduction allowable and taken for federal under I.R.C. §250(a). In completing Schedule A, a taxpayer must include the gross amounts of the income reported for federal purposes pursuant to I.R.C. §951A and I.R.C. §250. A deduction is allowed based on the same amounts of the deductions that were taken and allowed for federal purposes. See Schedule A-6 (instruction 17) for more information. Enclose a copy of federal Schedule 8992 and Schedule 8993 that was completed and submitted with federal Form 1120.

NOTE: I.R.C. §951A and I.R.C. §250(b) are not dividends nor are they deemed dividends; they are their own category of income.

(7) For tax years beginning on and after January 1, 2017, the Internal Revenue Code §965 net amounts reported for Federal purposes must be reported on line 33(b). The I.R.C. §965(a) amounts must be included on Schedule P and Schedule R and Schedule RT, if applicable, and included accordingly on line 37a, Schedule A. The I.R.C. §965(c) deduction and any federally exempt I.R.C. §965 amounts must be added back on line 33(e). Include a copy of the I.R.C. §965 Repatriation Tax Schedule filed with your federal return.

(b) **Lines 8 and 9:** Add a rider or schedules showing the same information shown on federal Form 1120, Schedule D and/or Form 4797. Gains and losses resulting from the disposition of property where a section 179 expense deduction was passed through to S corporation shareholders are not reported on federal Form 4797, and should be reported on Schedule A, Line 10c. If a sale of shares of stock or partnership interest resulted in a taxable transfer of a controlling interest in certain commercial real property under N.J.S.A. 54:15C-1, indicate on a rider.

(c) **Line 28:** This amount must agree with line 28, page 1, of the taxpayer’s unconsolidated federal Form 1120 or the appropriate line from the federal Form(s) 1120-IC-DISC, 1120-FSC, or 1120-A, whichever is applicable.

- (d) **Line 29:** Include any interest income that was not taxable for federal income tax purposes, and was not included in total income reported on line 28, Schedule A.
- (e) **Line 30:** Enter the total amount of interest deducted on Schedule A that was paid to related members and reported on Schedule G, Part I.
- (f) **Line 31:** Enter the total taxes paid or accrued to the United States, a possession or territory of the United States, a state, a political subdivision thereof, or the District of Columbia, or to any foreign country, state, province, territory or subdivisions thereof, on or measured by profits or income, business presence or business activity, including any foreign withholding tax, or any sales and use tax paid by a utility vendor, taken as a deduction in Schedule A and reflected in line 28. Refer to instruction 29.
- (g) **Line 32:** Enter the depreciation and other adjustments from Schedule S. Refer to instruction 42.
- (h) **Line 33(a): DEDUCTION FOR FOREIGN TAXES DEEMED PAID:** The portion of any IRC Section 78 gross-up included in dividend income on line 4, Schedule A that is not excluded from entire net income on line 38, may be treated as a deduction. Attach a copy of federal foreign tax credit, Form 1118.

Line 33(b): Report amounts of (1) adjustments not otherwise specifically provided for, (2) gross income, less deductions and expenses in connection therewith, from sources outside the United States, not included in federal taxable income, (3) the add back of any deductions for research and experimental expenditures, to the extent that those research and experimental expenditures are qualified research expenses or basic research payments for which an amount of credit is claimed pursuant to section 1 of P.L.1993,c.175 (C.54:10A-5.24) unless those research and experimental expenditures are also used to compute a federal credit claimed pursuant to section 41 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.41, and (4) federal Sections 199 and 199A deductions. Attach separate riders explaining fully such items. **For tax years beginning on and after January 1, 2017, the Internal Revenue Code §965 net amounts reported for Federal purposes must be reported on line 33(b).**

Line 33(c): Enter the net effect of the elimination of non-operational activity or non-unitary partnership income and expenses from Schedule O, Part I, line 36.

Line 33(d): Enter the total amount of interest and intangible expenses and costs deducted on Schedule A that was paid to related members and reported on Schedule G, Part II.

Line 33(e): Add back any federally exempt I.R.C. §965 amounts and any I.R.C. §965(c) deductions taken for federal purposes.

Line 33(f): See Schedule A-6 (instruction 17).

Line 33(g): For tax years beginning on and after January 1, 2018, all income that was exempt for federal income tax purposes under any provision of the Internal Revenue Code or any federal law must be added back. If such amounts were not added back on any other line of Schedule A, include such amounts on Line 33(g) and include a rider detailing such amounts and such provisions of the Internal Revenue Code.

- (i) **Line 35:** A net operating loss for a tax year may be carried forward as a net operating loss deduction to a succeeding year. A net operating loss is the excess of allowable deductions over gross income used in computing entire net income.

Neither a net operating loss deduction nor the dividend exclusion is an allowable deduction in computing a net operating loss. The statute authorizes a carryover of the deduction for seven years. For losses occurring for any tax year ending after June 30, 2009, the net operating loss carryover shall be twenty years. Net operating losses must be detailed on Form 500, which is available separately. In addition, if the return is for a full twelve-month tax year that begins on or after August 1, 2018, and ends on or after July 31, 2019, the taxpayer must complete Worksheet 500-P, which is used to calculate the converted unexpired unused net operating losses for future use. To obtain these forms and related information, refer to the index on page 15.

- (j) **Line 37a:** Dividends from all sources must be included in Schedule A. However, an exclusion from entire net income for certain dividend income may be taken as indicated in Schedule R or Schedule PT, if applicable. Taxpayer may not include money market fund income or REIT dividends as part of the dividend exclusion. The amount of the dividend exclusion allowed to be taken as a deduction is limited to the amount of income reported on line 36 of Schedule A for that tax year.

Line 37b: Subtract the amounts calculated on Schedule A-6, line 7.

NOTE: I.R.C. §951A and I.R.C. §250(b) are not dividends nor are they deemed dividends; they are their own category of income.

- (l) **RIGHT OF DIRECTOR TO CORRECT DISTORTIONS OF NET INCOME:** The Director is authorized to adjust and re-determine items of gross receipts and expenses as may be necessary to make a fair and reasonable determination of tax payable under the Corporation Business Tax Act. For details regarding the conditions under which this authority may be exercised, refer to regulation [N.J.A.C. 18:7-5.10](#).

17. SCHEDULE A-6 – IRC Section 250 Deduction GILTI and FDII:

For tax years beginning on and after January 1, 2018, a taxpayer that included the Internal Revenue Code section 951A (GILTI) and/or section 250(b) (FDII) amounts in entire net income is allowed the full deduction of amounts that were allowable and for which the taxpayer had taken for federal purposes under Internal Revenue Code Section 250(a). However, a portion of the deduction will not be allowed to the extent the corresponding GILTI and FDII amounts are excluded or exempted from entire net income under any provision of the Corporation Business Tax Act. Complete Schedule A-6 to calculate the allocated net GILTI and net FDII amounts to report. Taxpayers will need information from the U.S. Bureau of Economic Analysis (www.bea.gov) to calculate the allocation factor. Use the last quarter available prior to the end of your privilege period. Attach a rider of all the U.S. states (and the District of Columbia) in which the taxpayer has nexus. Enclose a copy of federal Schedule 8993 that was completed and submitted with federal Form 1120.

NOTE: I.R.C. §951A and I.R.C. §250(b) are not dividends nor are they deemed dividends; they are their own category of income.

- 18. SCHEDULE A-2 – COST OF GOODS SOLD:** The amounts reported on this schedule must be the same as the amounts reported on the taxpayer's federal income tax return. When calculating the AMA, corporations must calculate the Cost of Goods Sold per the AMA instructions.

- 19. SCHEDULE A-3 – SUMMARY OF TAX CREDITS:** This schedule must be completed if one or more tax credits are claimed for

the current tax period. The total on line 24 must equal the amount reported on page 1, line 10. Refer to instruction 43 for tax credit information. If an amount of credit to be refunded is calculated on a credit form that amount must be carried to page 1, line 19b, Refundable Tax Credit.

20. SCHEDULE A-4 – SUMMARY SCHEDULE: Every corporation must complete this schedule. Report the information on each line of Schedule A-4 from the return schedules indicated. **All lines must be completed as applicable. Non-allocating taxpayers must enter 1.000000 on the appropriate line(s).**

21. SCHEDULE A-5 – FEDERAL IRC SECTION 199 ADJUSTMENT: Effective for tax years beginning after December 31, 2004, a limited I.R.C. §199 deduction may be allowed for New Jersey corporation business tax purposes on a separate entity basis. The Section 199 deduction which is allowable for New Jersey corporation business tax purposes and entered on line 2, is computed on Form 501 which is available separately. To obtain this form, refer to the index on page 15.

NOTE: Internal Revenue Code section 199 was repealed for tax years beginning on and after January 1, 2018. A taxpayer is not allowed an I.R.C. §199 deduction.

22. SCHEDULE A-GR – COMPUTATION OF NEW JERSEY GROSS RECEIPTS AND MINIMUM TAX: If the greater of the amounts reported on page 1, lines 13 or 14 is less than \$2,000, complete this schedule. Enter the greater of the computed tax liability or the amount on Schedule A-GR, line 7 on page 1, line 15. If the taxpayer is part of an affiliated group whose total payroll is \$5,000,000 or more, the minimum tax is \$2,000 regardless of the amount of the taxpayer's New Jersey gross receipts, and Schedule A-GR need not be completed.

23. SCHEDULE AM – ALTERNATIVE MINIMUM ASSESSMENT FOR C CORPORATIONS: For tax years beginning on or after January 1, 2002, all New Jersey taxpayers, unless otherwise exempted, are required to pay a New Jersey Corporate Tax computed pursuant to Section 5 of P.L. 1945, (C.54:10A-5), or the elected Alternative Minimum Tax, whichever is greater. For returns with tax years beginning after June 30, 2006, there is no AMA, except for taxpayers claiming P.L. 86-272 immunity. There are two methods of determining the Alternative Minimum assessment: (a) based upon New Jersey Gross Receipts, and (b) based upon New Jersey Gross Profits.

PART I – computes New Jersey gross receipts, which equals the total of (1) sales of tangible personal property where shipment is made to points within this state, appropriation to the orders where shipment is made to points within this state, (2) services performed within the state, (3) rentals from properties situated, (4) royalties from the use of patents or copyrights, within the state, and (5) all other business receipts earned within the state. Investment income received by a taxpayer through ownership in a foreign or domestic entity is considered gross receipts for purposes of computing the taxpayer's alternative minimum assessment.

PART II – New Jersey gross receipts from Part I are used in Part II to compute New Jersey gross profits. This is calculated by subtracting New Jersey cost of goods sold from total New Jersey gross receipts. New Jersey cost of goods sold is computed by multiplying the total cost of goods sold (from Schedule A-2, line 8) by the New Jersey allocation factor or the receipts fraction of the allocation factor from Schedule J.

- NJ Gross Receipts (from Schedule AM, Part I, line 6)
- NJ Cost of Goods Sold (from Schedule AM, Part II, line 4)
- = New Jersey Gross Profits

PART III – reports the New Jersey Gross Receipts and the New Jersey Costs of Goods Sold historically for the current year and the past 3 years.

NOTE: For taxpayers who were not required to file New Jersey corporation business tax returns for any or all of the three prior tax years, enter N/A on the appropriate line(s).

PART IV – Computing the Alternative Minimum Assessment based on Gross Profits: Enter amount of New Jersey Gross Profits (from Part II, line 5) on Schedule AM, Part IV, line 1. If New Jersey Gross Profits are:

- (a) Less than or equal to \$1,000,000, the Alternative Minimum Assessment based on Gross Profits will be zero;
- (b) Greater than \$1,000,000, but not over \$10,000,000, the Alternative Minimum Assessment will be .0025 times the gross profits in excess of \$1,000,000, multiplied by the AMA exclusion rate of 1.11111;
- (c) Greater than \$10,000,000, but not over \$15,000,000, the Alternative Minimum Assessment will be the gross profits multiplied by .0035;
- (d) Greater than \$15,000,000, but not over \$25,000,000, the Alternative Minimum Assessment will be the gross profits multiplied by .006;
- (e) Greater than \$25,000,000, but not over \$37,500,000, the Alternative Minimum Assessment will be the gross profits multiplied by .007;
- (f) Greater than \$37,500,000, the Alternative Minimum Assessment will be the gross profits multiplied by .008.

PART V – Computing the Alternative Minimum Assessment based on Gross Receipts: New Jersey gross receipts are used in Schedule AM, Part V to determine the amount of tax due under the gross receipts method. This method takes New Jersey gross receipts and multiplies them by a certain percentage based on the receipt amount.

Enter amount of New Jersey Gross Receipts (from Part I, line 5) on Schedule AM, Part V, line 1. If New Jersey gross receipts are:

- (a) Less than or equal to \$2,000,000, the Alternative Minimum Assessment based on Gross Receipts will be zero;
- (b) Greater than \$2,000,000, but not over \$20,000,000, the Alternative Minimum Assessment will be .00125 times the gross receipts in excess of \$2,000,000, multiplied by the AMA exclusion rate of 1.11111;
- (c) Greater than \$20,000,000, but not over \$30,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .00175;
- (d) Greater than \$30,000,000, but not over \$50,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .003;
- (e) Greater than \$50,000,000, but not over \$75,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .0035;
- (f) Greater than \$75,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .004.

PART VI – For the first tax year, the taxpayer has the option to select the computation method of the Alternative Minimum Assessment, either based on Gross Profits or Gross Receipts. **However, once selected, the method must be employed for that tax year, and for the next succeeding four tax periods.**

The maximum Alternative Minimum Assessment for an individual corporation for a tax year will be \$5,000,000. Taxpayer will enter the lesser of the elected alternative minimum assessment (from Schedule AM, Part VI, line 4), or \$5,000,000, on Schedule AM,

Part V, line 5. Taxpayer will enter amount from Schedule AM, Part VI, line 5, on page 1 of CBT-100, line 14.

The amount of tax due for the tax year will be the greater of the elected Alternative Minimum Assessment, or the traditional corporate tax (computed pursuant to Section 5 of P.L. 1945, (C.54:10A-5)).

24. SCHEDULE B – BALANCE SHEET: Every taxpayer must complete this schedule. The amounts reported must be the same as the year-end figures shown on the taxpayer's books. A taxpayer that is included in a consolidated federal income tax return must complete this schedule on its own separate basis.

25. SCHEDULE C – RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN AND SCHEDULE C-1 – ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS:

(a) Every corporation must complete these schedules or submit legible copies of Schedules M-1 and M-2 from their unconsolidated federal Form 1120. For requirements relating to reproduction of federal tax schedules, see instruction 31.

(b) Line 8 of Schedule M-2 must correspond with the unappropriated retained earnings reported for the end of the tax year on Schedule B.

(c) If taxpayer files federal Schedule M-3, New Jersey Schedule C must still be filed, and a copy of federal Schedule M-3 must be attached to taxpayer's New Jersey CBT-100 return. If the taxpayer is part of a consolidated filing, then the federal Schedule M-3 must be on a separate entity basis.

26. SCHEDULE E – GENERAL INFORMATION: All taxpayers must answer all questions on this schedule. In addition, riders must be submitted if necessary in answering the questions.

27. SCHEDULE F – CORPORATE OFFICERS – GENERAL INFORMATION AND COMPENSATION: All applicable information should be provided for each corporate officer regardless of whether or not compensation was received.

28. SCHEDULE G – PART I – INTEREST: Interest paid, accrued, or incurred to related members that was deducted in computing taxable net income on line 28 of Schedule A must be reported on Schedule G, Part I. Enter the total of such interest expense on line 30 of Schedule A. Do not include interest expenses and costs that were deducted directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange, or disposition of intangible property in Part I. These expenses and costs are, however, required to be included in Part II.

NOTE: For tax years beginning on or after January 1, 2018, the treaty exceptions have been limited pursuant to P.L. 2018, c. 48.

SCHEDULE G – PART II – INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS: Interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members which were deducted in computing taxable net income on line 28 of Schedule A must be reported on Schedule G, Part II. Enter the total of such intangible expenses and costs on line 33(d) of Schedule A.

Exceptions: If the taxpayer is claiming an exception to the disallowance of the expense reported in Part I or Part II, then the taxpayer must complete and attach Schedule G-2. This schedule may be obtained from the Division of Taxation's website. See index on page 15.

NOTE: For tax years beginning on and after January 1, 2018, there are additional requirements to meet the treaty exceptions that are reported for the purposes of Part I and Part II.

Definitions:

Related member means a person that, with respect to the taxpayer during all or any portion of the tax year is (1) a related entity, (2) a component member as defined in subsection (b) of section 1563, of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563, (3) a person to or from whom there is attribution of stock ownership in accordance with subsection (e) of section 1563 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563 or (4) a person that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person described in (1) through (3) of this definition.

Related entity means (1) a stockholder who is an individual or a member of the stockholder's family enumerated in section 318 of the federal Internal Revenue Code of 1986 26 U.S.C. s.318, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; (2) a stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; or (3) a corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least 50% of the value of the corporation's outstanding stock. The attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, shall apply for purposes of determining whether the ownership requirements of this definition have been met.

Intangible expenses and costs includes (1) expenses, losses, and costs, for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income before operating loss deduction and special deductions for the tax year under the federal Internal Revenue Code of 1986, 26 U.S.C. s.1 et seq., (2) losses related to, or incurred in connection directly or indirectly with factoring transactions or discounting transactions, (3) royalty, patent, technical and copyright fees, (4) licensing fees, and (5) other similar expenses and costs.

Intangible Property means patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets and similar types of intangible assets.

Intangible Interest Expenses and Costs means amounts directly or indirectly allowed as deductions under section 163 of the federal Internal Revenue Code of 1986 26 U.S.C. s.163, for purposes of determining taxable income under the code to the extent such expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

29. SCHEDULE H – TAXES: Itemize all taxes which were in any way deducted in arriving at taxable net income, whether reflected at line 2 (Cost of goods sold and/or operations), line 17 (Taxes), line 26 (Other deductions) or anywhere else on Schedule A. Also refer to instruction 16(f).

- 30. SCHEDULE I – CERTIFICATION OF INACTIVITY:** In lieu of completing the entire tax return, an inactive corporation may complete this schedule along with pages 1 through 4 of the tax return. Payment for the related minimum tax and the installment payment (if applicable) must be submitted electronically with Form CBT-100-V. An inactive corporation is a corporation that, during the entire period covered by the tax return, did not conduct any business, did not have any income, receipts, or expenses, and did not own any assets.
- 31. OPTIONAL COPIES OF SCHEDULES C AND C-1:** Any taxpayer that files an unconsolidated federal Form 1120 with the Internal Revenue Service may submit copies of Schedules M-1 and M-2 of that return in lieu of completing Schedules C and C-1 of the CBT-100. The copies must be legible and each page must include the taxpayer's name and tax identification number.
- 32. SCHEDULE J – GENERAL INSTRUCTIONS:**
- (a) **ALLOCATION PERCENTAGES:** In computing the allocation factor in Schedule J, division must be carried to six (6) decimal places, e.g. 0.123456.
 - (b) Effective for returns beginning after July 1, 2010, all corporations are entitled to allocate.
 - (c) Effective for returns with tax years beginning on or after January 1, 2014, will have a 100% weighted receipts fraction only.
 - (d) Only activities related to operational activity are to be used in computing the general allocation factors. If the taxpayer has non-operational activity, refer to Schedule O.
- 33. SCHEDULE J PART II:**
- (A) COMPUTATION OF ALLOCATION FACTOR:** This schedule may be omitted if the taxpayer does not have activity outside of New Jersey.
- (i) **Line 1(a)-1(d) RECEIPTS FRACTION:** Receipts from sales of tangible personal property are allocated to New Jersey where the goods are shipped to points within New Jersey. Receipts from the sale of goods are allocable to New Jersey if shipped to a New Jersey or a non-New Jersey customer where possession is transferred in New Jersey. Receipts from the sale of goods shipped to a taxpayer from outside of New Jersey to a New Jersey customer by a common carrier are allocable to New Jersey. Receipts from the sale of goods shipped from outside of New Jersey to a New Jersey location where the goods are picked up by a common carrier and transported to a customer outside of New Jersey are not allocable to New Jersey. Receipts from the following are allocable to New Jersey: services performed in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents or copyrights; all other business receipts earned in New Jersey.
 - (ii) **Line 1(e) and 1(g)**
 - (a) **RECEIPTS FROM SALES OF CAPITAL ASSETS:** Receipts from sales of capital assets (property not held by the taxpayer for sale to customers in the regular course of business), either within or outside New Jersey, should be included in the numerator and the denominator based upon the net gain recognized and not upon gross selling prices. If the taxpayer's business is the buying and selling of real estate or the buying and selling of securities for trading purposes, gross receipts from the sale of such assets should be included in the numerator and the denominator of the receipts fraction.
 - (b) **DIVIDEND INCOME:** The amount of dividends excluded from entire net income at line 37a, Schedule A, must not be included in the numerator or denominator of the receipts fraction. However, the dividends and deemed dividend values on Schedule R, Part II, Section B, line 4 or Section C, line 4, or Schedule PT, as applicable, are included in the numerator or denominator.
 - (c) **GILTI and FDII:** In order to calculate a fair and equitable tax and prevent distortion to the allocation factor, Schedule A-6 has been created to allocate the net IRC section 951A (GILTI) and net IRC section 250(b) (FDII) amounts. Do not include GILTI and FDII in either the numerator or denominator. In addition, do not include the underlying receipts of the controlled foreign corporation generating the GILTI in the numerator or denominator.
 - (iii) **Line 1(h) –** The allocation factor is now computed as a single sales fraction, line 1(f) (New Jersey based receipts) divided by line 1(g) (Total Receipts everywhere).
- 34. SCHEDULE L – INVESTMENT COMPANIES:**
- (a) Every taxpayer electing to report as an Investment Company must meet the qualifications contained in this schedule. See instruction 35 and Schedule M for Regulated Investment Companies.
 - (b) **ELECTION TO REPORT AS AN INVESTMENT COMPANY:** The election is effective only for the particular year covered by the return.
- 35. SCHEDULE M – REGULATED INVESTMENT COMPANIES – REAL ESTATE INVESTMENT TRUSTS – GENERAL INFORMATION:** This schedule must be completed by every taxpayer electing to report as a Regulated Investment Company or a Real Estate Investment Trust. The election is effective only for the particular year covered by the return.
- NOTE: Regulated Investment Companies only complete Schedule M, pages 1 through 4 of the CBT-100, and Schedule A-GR (if applicable) on page 5 of the CBT-100.**
- 36. SCHEDULE N – NEXUS - IMMUNE ACTIVITY DECLARATION:** Foreign corporations that claim their income is immune from taxation pursuant to Public Law 86-272, 15 U.S.C. §381 et seq., must complete Schedule N and file it with the CBT-100. This schedule is available on Division of Taxation's website.
- 37. SCHEDULE O – NONOPERATIONAL ACTIVITY:** Corporations that claim to have nonoperational activity, nonoperational assets, or nonunitary partnership investments must complete Schedule O and file it with the CBT-100. This schedule is available on the Division of Taxation's website.
- NOTE:** You cannot net nonoperational against operational income.
- 38. SCHEDULE P – SUBSIDIARY INVESTMENT ANALYSIS:** Itemize the investment in each subsidiary company, showing the name of each subsidiary, the percentage of interest held in each company, the individual book value included in the balance sheet for each subsidiary investment and the amount of dividends paid and/or deemed received from each subsidiary that is included in gross income on Schedule A. Part I is for reporting information from domestic subsidiaries. Part II is for reporting information on foreign subsidiaries. Do not include advances or other receivables due to subsidiaries in the book value reported at Column 3.
- NOTE:** GILTI and FDII are not dividends or deemed dividends for New Jersey purposes. The gross IRC 965(a) amount must be included on Schedule P, not the net IRC 965 amount.

39. SCHEDULE P-1 – PARTNERSHIP INVESTMENT ANALYSIS:

Itemize the investment in each partnership, limited liability company and any other entity that is treated for federal tax purposes as a partnership. List the name, the Federal Identification Number, and the date and state where organized for each partnership. Also, check the type of ownership (general or limited), the tax accounting method used to reflect your share of partnership activity on this return (flow through method or separate accounting) and whether or not the partnership has nexus in New Jersey. Itemize in Column 7 the amount of tax payments made on behalf of the taxpayer by partnership entities. Carry the total amount of taxes paid on behalf of taxpayer to page 1, line 19(a). Attach a copy of Schedule NJK-1 from Form NJ-1065 if the partnership is filing in New Jersey. Any one member limited liability company should be included on this schedule. Corporations who claim that their partnership investments are nonunitary and therefore are utilizing the Separate Tax Accounting Method must complete Schedule O to report this activity and compute the appropriate amount of tax.

40. SCHEDULE PC – PER CAPITA LICENSED PROFESSIONAL FEE:

- (a) Professional Corporations (PC) formed under N.J.S.A. 14A:17-1 et seq. or any similar laws of a possession or territory of the US, a state, or political subdivision thereof, are liable for a fee on Licensed Professionals.
- (b) Per N.J.S.A. 14A:17-3, examples of licensed professionals are: certified public accountants, architects, optometrists, professional engineers, land surveyors, land planners, chiropractors, physical therapists, registered professional nurses, dentist, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, chiroprpodists, veterinarians and, subject to the Rules of the Supreme Court, attorneys at law.
- (c) The fee is assessed provided there are more than two professionals in the PC. The fee is assessed on professionals that are owners, shareholders, and/or employees of the Professional Corporation. The number of professionals should be calculated using a quarterly average. The fee for each resident and nonresident professional with physical nexus with New Jersey is \$150. The fee for each nonresident professional without physical nexus with New Jersey is \$150 multiplied by the allocation factor of the corporation. The fee is limited to \$250,000 per year.
- (d) In the event of a period shorter than a year, the fee and limit may be prorated by months. A fraction of a month is deemed to be a month.
- (e) Line 2 – Installment Payment: A fifty percent (50%) prepayment towards the subsequent year's fee is required with the current year's return.
- (f) Line 6 – Credit: Amount to be credited towards next year's fee. **This fee is not eligible for refund.**

41. SCHEDULE R, SCHEDULE RT, AND SCHEDULE PT – DIVIDEND EXCLUSIONS:

NOTE: GILTI and FDII are not dividends or deemed dividends for New Jersey purposes. The gross IRC 965(a) amount must be included on Schedule R and Schedule RT, and Schedule PT, not the net IRC 965 amount.

- (a) **Schedule R – Dividend Exclusion:** Taxpayers may exclude from entire net income 95% of dividends from qualified subsidiaries, if such dividends were included in the taxpayer's gross income on Schedule A. The calculation

is done in Part I and Part II of Schedule R (see N.J.S.A. 54:10A-4(k)(5)). A qualified subsidiary is defined as ownership by the taxpayer of at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends. With respect to other dividends, the exclusion shall be limited to 50% of such dividends included in the taxpayer's gross income on Schedule A, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock. Taxpayers shall not include money market fund or REIT income as part of the dividend exclusion. Refer to instruction 16(j). Part II of Schedule R is used for calculating the 5% of dividend income received by a taxpayer from a 80% or greater owned subsidiary that is includable in entire net income and is subject to a special statutory allocation factor, which is the lower of the three-privilege period average allocation factor of the 2014 through 2016 allocation factors filed by the taxpayer on their tax returns or 3.5%. If one of those returns was a short-year return, the allocation from that year will count for the special three-year average allocation formula. If the taxpayer has filed fewer than three periods, take the average of the periods being reported. All allocation factors must be carried out to 6 decimal places.

Note: The tiered dividend exclusion from certain subsidiaries is calculated separately on Schedule RT since it is an allocated dividend exclusion.

- (b) **Schedule RT – Tiered Subsidiary Dividend Exclusion:** Taxpayers may exclude dividends received from a subsidiary that have filed a tax return and paid New Jersey corporation business tax on the dividends received from other subsidiaries to the extent such dividends were included in the subsidiary's allocated entire net income. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. The total excludable tiered subsidiary amounts reported on Schedule RT are used on Part II of Schedule R or Part III of Schedule PT, if applicable, to calculate the allocated tiered dividend deductible against allocated entire net income.

NOTE: See N.J.S.A. 54:10A-4(k)(5)(C).

- (c) **Schedule PT – Previously Taxed Dividends:** If you had subsidiary dividend income that was reported in a previous tax year for New Jersey Corporation Business Tax purposes **and** for which you paid greater than the New Jersey minimum tax in that tax year **and** those same dividends are included in your entire net income this tax year, complete Schedule PT in lieu of Schedule R. Schedule PT is available separately. See the index in the instructions for information on obtaining the schedule.

42. SCHEDULE S – DEPRECIATION AND SAFE HARBOR LEASING:

All taxpayers except for gas, electric and gas and electric utilities (who must complete Schedule S, Part III), must complete this schedule and must submit a copy of a completed federal Depreciation Schedule, Form 4562 even if it is not required for federal purposes. Schedule S provides for adjustments to depreciation and certain safe harbor leasing transactions.

SCHEDULE S – PART I

Line 11 Additions:

- (a) Add any depreciation or cost recovery (ACRS and MACRS) that was deducted in arriving at federal taxable income on

recovery property placed in service on or after January 1, 1981, and prior to taxpayers' accounting periods beginning on and after July 7, 1993.

- (b) Add any 30% or 50% bonus depreciation amounts and federal depreciation calculations that were deducted in arriving at federal taxable income on recovery property placed in service during accounting periods beginning on and after January 1, 2002, for which federal 30% or 50% bonus depreciation was taken. Include the initial 30% or 50% bonus amount and the regular depreciation on the adjusted basis.
- (c) Add distributive share of ACRS and MACRS from a partnership.
- (d) Add any interest, amortization or transactional costs, rent, or any other deduction that was claimed in arriving at federal taxable income as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code; provided, however, any such amount with respect to a qualified mass commuting vehicle pursuant to the Federal Internal Revenue Code Section 168(f)(8)(D)(v) need not be added back to net income.
- (e) The \$100,000 bonus section 179 deduction is partially disallowed. Section 179 deduction is limited to a maximum of \$25,000, which was the maximum allowance for tax years after 2002 per the Internal Revenue Code before the bonus deduction was enacted. Enter on line 11(e) the difference between the federal expense and the expense allowable for New Jersey purposes.
- (f) New Jersey decoupled from the federal tax code provisions on cost recovery or depreciation and is statutorily tied to the federal depreciation laws that were in effect as of December 31, 2001, and does not conform to the Tax Cuts and Jobs Act.

Line 12 Deductions:

- (a) Deduct depreciation on property placed in service after 1980 and prior to taxpayers' fiscal or calendar accounting periods beginning on and after July 7, 1993, on which ACRS and MACRS has been disallowed under 10(a) of this instruction using any method, life and salvage value that would have been allowable under the Federal Internal Revenue Code at December 31, 1980, but using the federal basis for depreciation on the date the property was placed in service. Refer to Schedule S, Part II (A).
- (b) Deduct recomputed depreciation for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken under 11(b) of this instruction using the same method and life that would have been allowable for federal purposes, but using the federal basis for depreciation on the date the property was placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance. Refer to Schedule S, Part II (B).
- (c) Deduct recomputed depreciation attributable to distributive share of recovery property from a partnership.
- (d) Deduct any item of income included in arriving at federal taxable income solely as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code provided, however, that any such income which relates to a qualified mass commuting vehicle pursuant to Federal Internal Revenue Code Section 168(f)(8)(D)(v) cannot be deducted from net income.

- (e) If the user/lessee of qualified lease property, which is precluded from claiming a deduction for rent under 10(c) of this instruction, would have been entitled to cost recovery on property that is subject to such "safe harbor lease" election in the absence of that election, it may claim depreciation on the property in accordance with 12(a) of this instruction.
- (f) Gain or loss on property sold or exchanged is the amount properly to be recognized in the determination of federal taxable income. However, on the physical disposal of recovery property, whether or not a gain or loss is properly to be recognized under the Federal Internal Revenue Code, there shall be allowed as a deduction any excess, or there must be restored as an item of income, any deficiency of depreciation disallowed at line 11(a) and (b) over related depreciation claimed on that property at line 12(a) and (b). A statutory merger or consolidation shall not constitute a disposal of recovery property.
- (g) Deduct other New Jersey depreciation not accounted for on lines a through f.

NOTE: Uncoupling of ACRS and MACRS is not required for property placed into service during accounting periods beginning on or after July 7, 1993.

SCHEDULE S – PART II (B)

All taxpayers must complete this schedule in order to compute their New Jersey depreciation allowable for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken and/or for which excess section 179 depreciation was disallowed and added back per Schedule S, Part I, line 11(e). The form as is can be used for all applicable assets. Identification should be reported in Column A (30% bonus, 50% bonus, excess section 179). The basis is to be determined at the date property is placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance.

SCHEDULE S – PART III

- (a) All gas, electric, and gas and electric utilities must complete this schedule in order to compute their New Jersey depreciation allowable for the single asset account which is comprised of all depreciable property placed in service prior to January 1, 1998. The basis of this asset account will be the total federal depreciable basis as of December 31, 1997, plus the excess of the book depreciable basis over the federal tax basis as of December 31, 1997. This basis will be reduced yearly by the federal basis of these assets sold, retired or disposed of from January 1, 1998 to date.
- (b) All taxpayers must complete Schedule S, Part I, lines 11(b), 12(b), 12(f), and 13 as well as Schedule S, Part II (B) in order to compute their New Jersey depreciation allowable for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken. The basis is to be determined at the date property is placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance.

43. TAX CREDITS: (Refer to instruction 19)

- (a) **ANGEL INVESTOR TAX CREDIT – FORM 321:** Taxpayers that have been approved by the New Jersey Economic Development Authority may be allowed a tax credit for a qualified investment in a New Jersey emerging technology company. To claim this credit, the taxpayer must complete Form 321 and attach it to the return. To obtain this form and related information, refer to the index on page 15. If an amount of credit to be refunded is calculated on the credit

form, that amount must be carried to page 1, line 19b, Refundable Tax Credits. See instruction 45(f).

- (b) **GROW NEW JERSEY TAX CREDIT – FORM 320:** Taxpayers that have been approved by the New Jersey Economic Development Authority may be allowed a tax credit for a capital investment made in a qualified incentive area. To claim this credit, the taxpayer must complete Form 320 and attach it to the return. To obtain this form and related information, refer to the index on page 15.
- (c) **WIND ENERGY FACILITY TAX CREDIT – FORM 322:** A Wind Energy Facility tax credit is awarded to businesses for qualified wind energy facility located within an eligible wind energy zone approved by the Economic Development Authority. The business must have at least \$50,000,000 in capital investments into a qualifying facility. A tenant of the business can qualify if there are at least \$17,500,000 in capital investments made in the area being leased in the qualifying facilities. Additionally, 300 new full time employees who are subject to the New Jersey Gross Income Tax or are from a state that has reciprocity with New Jersey, must have been hired that do not qualify for certain other tax credits as enumerated in N.J.S.A.34:1B-209.4(3).
- To claim this credit, the taxpayer must complete Form 322 and attach it to the return. To obtain this form and related information, refer to the index on page 15.
- (d) **URBAN TRANSIT HUB TAX CREDIT – FORM 319:** Taxpayers that have been approved by the New Jersey Economic Development Authority may be allowed a tax credit for capital investments made in qualified business facilities that are located within eligible municipalities. To claim this credit, the taxpayer must complete Form 319 and attach it to the return. To obtain this form and related information, refer to the index on page 15.
- (e) **BUSINESS RETENTION AND RELOCATION TAX CREDIT – FORM 316:** A taxpayer that has entered into a project agreement with the New Jersey Commerce Commission and received qualification for a grant of tax credits may be able to claim this tax credit. Form 316 must be completed and attached to the tax return. To obtain this form and related information, refer to the index on page 15.
- (f) **NEIGHBORHOOD REVITALIZATION STATE TAX CREDIT – FORM 311:** A taxpayer that contributes financial assistance to a nonprofit sponsor may be granted a certificate authorizing a tax credit that may be used to offset their corporation business tax liability. The tax credit may be granted in an amount up to 100% of the approved assistance provided to a nonprofit organization to implement a qualified project that is part of an approved neighborhood preservation and revitalization plan. The credit may not exceed \$1,000,000 for any tax year.
- To claim this credit, the taxpayer must complete Form 311 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.
- (g) **FILM PRODUCTION TAX CREDIT – FORM 318:** A taxpayer that incurs qualified film production expenses in New Jersey may be able to claim this credit. In general, the credit is allowed in an amount equal to 20% of the qualified film production expenses subject to certain limitations. To claim this credit, the taxpayer must complete Form 318 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

NOTE: A new film and digital media production credit was established under P.L. 2018, c. 56, and a new form is being created. It will be posted online as soon as it becomes available.

- (h) **SHELTERED WORKSHOP TAX CREDIT – FORM 317:** A taxpayer that provides employment to qualified handicapped persons at sheltered workshops may be able to claim this tax credit. In general, the credit is allowed in an amount equal to 20% of the salary and wages paid during the tax year for the employment of a qualified person not to exceed \$1,000 for each qualified person for the tax year.
- To claim this credit, the taxpayer must complete Form 317 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.
- (i) **AMA TAX CREDIT – FORM 315:** A taxpayer who in a previous year(s) paid an Alternative Minimum Assessment (AMA) liability that was in excess of the regular corporation business tax liability may take a credit against its regular corporation business tax liability subject to the following limitations.
- The credit taken shall not reduce the taxpayer's corporation business tax liability to less than the Alternative Minimum Assessment, nor to below the minimum tax due (\$500 or \$2,000).
- To claim the AMA Tax Credit, the taxpayer must complete Form 315 and attach it to the return. To obtain this form, refer to the index on page 15.
- (j) **ECONOMIC RECOVERY TAX CREDIT – FORM 313:** A taxpayer that is engaged in the conduct of business within a qualified municipality and who is not receiving a benefit under the "New Jersey Urban Enterprise Zones Act" may claim a tax credit equal to \$2,500 for each new full-time position at that location in credit year one and \$1,250 for each new full-time position at that location in credit year two.
- To claim this credit, the taxpayer must complete Form 313 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.
- (k) **EFFLUENT EQUIPMENT TAX CREDIT – FORM 312:** A taxpayer that purchases treatment or conveyance equipment for use in treatment of effluent for reuse in an industrial process exclusively within New Jersey may be able to take a tax credit. The credit is equal to 50% of the cost of the treatment equipment or conveyance equipment less the amount of any loan received and excluding the amount of sales and use tax. The amount of credit claimed for the tax year in which the purchase is made and the amount of credit claimed thereafter in each tax period thereafter shall not exceed 20% of the amount of the total credit allowable. A copy of the determination of environmentally beneficial operation issued by the Department of Environmental Protection along with an affidavit affirming the equipment will only be used in New Jersey must be filed with the tax return.
- To claim this credit, the taxpayer must complete Form 312 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.
- (l) **HMO ASSISTANCE FUND TAX CREDIT – FORM 310:** A member organization may offset against its corporation business tax liability an amount of not more than 10% of any assessment for each of the five tax years beginning on or after the third calendar year commencing after the assessment was paid, except that no member organization may offset

more than 20% of its corporation business tax liability in any one year.

To claim this credit, the taxpayer must complete Form 310 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

- (m) **SMALL NEW JERSEY-BASED HIGH-TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT – FORM 308:** A taxpayer may claim a tax credit in an amount equal to 10% of the qualified investment made by the taxpayer during the tax year in a small-New Jersey-based high-technology business. The maximum allowable credit for each tax year is \$500,000 for each qualified investment made by the taxpayer. The small high-technology business must employ less than 225 employees, of which 75% must have jobs in New Jersey. The small high-technology business must conduct pilot scale manufacturing or qualified research in New Jersey in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, and medical device technology. P.L. 1997, c. 349 (N.J.S.A. 54:10A-5.24b) expired for tax years beginning on and after July 1, 2001.

To claim this credit, the taxpayer must complete Form 308 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

- (n) **NEW JOBS INVESTMENT TAX CREDIT – FORM 304:** This tax credit is available for investment in new or expanded business facilities that create new jobs in New Jersey. The investment must create at least 5 new jobs (50 for large businesses), and meet the median annual compensation requirement for the current tax year. New investment is not eligible for the credit unless the average value of all real and tangible personal property in this State has increased over the prior year.

The facilities must have been purchased from an unrelated party during or after the taxpayer's accounting period beginning on or after July 7, 1993, the effective date of this legislation. It must be employed by the taxpayer in a taxable activity and must not have been in use during the 90 day period prior to purchase. Investments that qualify for the Manufacturing Equipment and Employment Investment Tax Credit cannot also qualify for this credit.

A new employee means a New Jersey resident, hired to fill a regular, permanent position in this State that did not exist prior to the qualified investment, and would not exist but for the qualified investment. The employee must be unrelated to the taxpayer and must not have been employed by the taxpayer during the six months prior to the date the investment was placed in service or use.

The taxpayer cannot claim a credit for a number of new employees that exceeds either the increase in the taxpayer's average employment for the tax year, or one-half the taxpayer's average employment for the year. Also, individuals counted in determining the New Jobs Factor must not be ones for whom the taxpayer is allowed an Urban Enterprise Zone or Urban Development Project Employees Tax Credit.

A small or mid-sized business taxpayer must also meet the annual payroll and annual gross receipts requirements for the current tax year to qualify.

To claim this credit, the taxpayer must complete Form 304 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

- (o) **MANUFACTURING EQUIPMENT AND EMPLOYMENT INVESTMENT TAX CREDIT – FORM 305:** Investments in qualified manufacturing equipment made in tax years beginning on or after January 1, 1994, may be eligible for the Manufacturing Equipment and Employment Investment Tax Credit. Such investment has the benefit of allowing a tax credit computation for the tax year in which the investment was made as well as each of the following two tax years. The tax credit computation for the first year is based on the cost of the qualified manufacturing equipment placed in service in New Jersey during that tax year. The computations for the two following tax years are based on the average increase in New Jersey residents employed in New Jersey subject to a limitation based on the cost of the investment made in the first year.

The manufacturing equipment portion is limited to 2% (or 4%, if applicable) of the investment credit base of qualified equipment placed in service in the tax year, up to a maximum allowed credit for the tax year of \$1,000,000. The employment investment portion is valid for each of the two tax years next succeeding the tax year for which the manufacturing equipment credit is allowed, but is limited to 3% of the investment credit base, not to exceed a maximum allowable amount for each of the two tax years of \$1,000 multiplied by the increase in the average number of qualified employees.

To claim this credit, the taxpayer must complete Form 305 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

- (p) **RESEARCH AND DEVELOPMENT TAX CREDIT – FORM 306:** A taxpayer that has performed qualified research activities in New Jersey may be eligible to claim the Research and Development Tax Credit. For tax years beginning prior to January 1, 2018, the credit is based on the federal corporate income tax Research and Development credit permitted under Internal Revenue Code section 41 in effect on June 30, 1992, which was not a refundable credit.

For tax years beginning after January 1, 2018, the credit is based on the federal corporate income tax credit portion of the credit permitted under Internal Revenue Code section 41 currently in effect without regard to any subsequent repeal or action by Congress making the federal corporate income tax credit refundable. The New Jersey Research and Development Tax Credit is 10% of certain qualifying expenses and 10% of certain qualifying payments based on the applicable rules, regulations, and methods allowable for computing the federal corporate income tax Research and Development credit under Internal Revenue Code section 41. The amounts used by a taxpayer for computing the separate federal payroll tax credit pursuant to Internal Revenue Code section 41(h) and Internal Revenue Code section 3111(f) do not qualify for the purposes of computing the New Jersey corporation business tax credit.

Qualified research is limited to scientific experimentation or engineering activities designed to aid in the development of a new or improved product, process, technique, formula, invention, or computer software programs held for sale, lease, or license, or used by the taxpayer in a trade or business. For in-house research expenses (see Section 41(b)(2) of the Internal Revenue Code), this trade or business requirement will be met if the taxpayer's principal purpose for conducting the research is to use the results of the research in the active conduct of a future trade or business (see Section 41(b)(4) of the Internal Revenue Code).

To claim this credit, the taxpayer must complete Form 306 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

NOTE: Do not recompute your tax credit for tax years beginning before January 1, 2018. You must report the credit you carried over from prior tax years.

- (q) **RECYCLING EQUIPMENT TAX CREDIT – FORM 303:** A taxpayer that purchased qualified recycling equipment on or after October 1, 1987, and received a certification for this equipment from the Commissioner of the Department of Environmental Protection may be eligible to claim the Recycling Equipment Tax Credit. The recycling equipment must have been used exclusively within New Jersey, except for vehicles which must have been used primarily within New Jersey.

The legislation governing this tax credit expired on December 31, 1996, however, any unused credits claimed prior to January 1, 1997, can be taken on the current tax return subject to the limitations set forth on Form 303.

To claim this credit, the taxpayer must complete Form 303 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15.

- (r) **REDEVELOPMENT AUTHORITY PROJECT TAX CREDIT – FORM 302:** Any taxpayer that is actively engaged in the conduct of business at a location within a project as defined in N.J.S.A. 55:19-1 et seq., and whose business at that location consists primarily of manufacturing or other business that is not retail sales or warehousing oriented, may be entitled to claim the Redevelopment Authority Project Tax Credit. This credit is allowed in the tax year next following the tax year of qualification. To claim the credit, the taxpayer must complete Form 302 and attach it to the tax return. To obtain this form and related information, refer to the index on page 15. Inquiries regarding the projects should be directed to the New Jersey Redevelopment Authority, PO Box 790, Trenton, New Jersey 08625-0790, phone 609-292-3739.
- (s) **URBAN ENTERPRISE ZONE TAX CREDITS:** A taxpayer that has been designated as a “qualified business” as defined in the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., may qualify for either an employee tax credit or an investment tax credit. To be eligible, the taxpayer must have been certified as a qualified business by the Urban Enterprise Zones Authority. Certification is renewable annually. The urban enterprise zones are located in Asbury Park, Bayonne City, Bridgeton, Camden, Carteret, East Orange, Elizabeth, Gloucester City, Guttenberg, Hillside, Irvington, Jersey City, Kearny, Lakewood, Long Branch, Millville, Mount Holly, New Brunswick, Newark, North Bergen, Orange, Passaic, Paterson, Pemberton Township, Perth Amboy, Phillipsburg, Plainfield, Pleasantville, Roselle Borough, Trenton, Union City, Vineland, West New York, and the Joint Wildwoods. Further information can be obtained from the New Jersey Urban Enterprise Zones Authority, New Jersey Commerce and Economic Growth Commission, PO Box 820, Trenton, New Jersey 08625-0820, phone 609-292-1912.

The forms required to validate the employee tax credit (Form 300) and the investment tax credit (Form 301) can be obtained by following the instructions on page 15. Specific information on these tax credits can be obtained from the Regulatory Services Branch, PO Box 269, Trenton, NJ 08695-0269, phone 609-292-5994.

- (1) **Employees Tax Credit – Form 300:** This credit is available to a taxpayer that was certified as a qualified business in the preceding tax year as well as the current tax year. Qualifying employees must have been hired after certification and must have worked six consecutive months in the tax year following the tax year in which employment began. To claim the credit, a completed Form 300 must be attached to the tax return.

- (2) **Investment Tax Credit – Form 301:** A qualified business that is not entitled to an employees tax credit may be entitled to the investment tax credit. This credit is only available to an employer with less than 50 employees. The investment must be at least \$5,000 if there are 10 or fewer employees, and increases by \$500 for each additional employee. To qualify for the credit, the investment must be approved by the Urban Enterprise Zones Authority. A completed Form 301 must be attached to the tax return to validate the investment tax credit claim.

- (t) **RESIDENTIAL ECONOMIC REDEVELOPMENT AND GROWTH TAX CREDIT – FORM 323:** Taxpayers that have been approved by the New Jersey Economic Development Authority may be allowed a tax credit in lieu of an incentive grant. To claim this credit, the taxpayer must complete Form 323 and attach it to the return. To obtain this form and related information, refer to the index on page 15.
- (u) **BUSINESS EMPLOYMENT INCENTIVE PROGRAM TAX CREDIT – FORM 324:** In order to qualify for this tax credit, the taxpayer must have received a tax credit certificate issued by the New Jersey Economic Development Authority. If the taxpayer claims this credit on Form CBT-100, Form CBT-100S, or Form BFC-1, a completed Form 324 and EDA certificate must be attached to the return to validate the claim. The forms should be sent by mail to the New Jersey Division of Taxation, Office Audit at PO Box 269 Trenton, NJ 08646-0269. Failure to submit this documentation by mail will result in the delay and/or denial of the tax credit claimed.
- (v) **PUBLIC INFRASTRUCTURE TAX CREDIT – FORM 325:** In order to qualify for this tax credit, the taxpayer must have received a tax credit certificate issued by the New Jersey Economic Development Authority. If the taxpayer claims this credit on Form CBT-100, Form CBT-100S, or Form BFC-1, a completed Form 325 and EDA certificate must be attached to the return to validate the claim. The forms should be sent by mail to the New Jersey Division of Taxation, Office Audit at PO Box 269 Trenton, NJ 08646-0269. Failure to submit this documentation by mail will result in the delay and/or denial of the tax credit claimed.
- (w) **OTHER TAX CREDITS:** Include on line 23 of Schedule A-3 any other valid tax credit(s) allowable in accordance with the New Jersey Corporation Business Tax Act for which a place has not been provided somewhere else on the schedule. Any tax credit(s) claimed on this line must be documented with a valid New Jersey Corporation Business Tax Credit Form, which is required to be submitted with the tax return.

44. INSTALLMENT PAYMENTS: Taxpayers are required to make installment payments of estimated tax. The requirement for making these payments is based on the amount of the total tax liability shown on the most recent return.

- (a) **If the 2018 Total Tax Liability is greater than \$500,** the taxpayer must make installment payments towards 2019. These payments are to be made electronically on Form

CBT-150 and are due on or before the 15th day of the 4th, 6th, 9th and 12th months of the tax year. Taxpayers with gross receipts greater than or equal to \$50,000,000 must make installment payments on the 15th day of the 4th, 6th, and 12th months of the tax year. Details for making these payments can be found in the CBT-150 instructions.

- (b) **If the 2018 Total Tax Liability is \$500**, installment payments may be made as indicated in (a) above **OR** in lieu of making installment payments, the taxpayer may make a payment of 50% of the 2018 total tax liability. For taxpayers who qualify and want to take advantage of this option, enter on line 16, 50% of the amount on line 15. This will become part of the payment to be made with the 2018 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2019 return.

45. PAYMENTS AND CREDITS: Credit for the total amount of the payments and credits listed below should be taken on page 1, line 19:

- (a) Include installment tax payments made electronically with Form CBT-150 as well as any payment made on line 19 of the 2018 CBT-100 or line 10 of the 2018 CBT-100S.
- (b) Include the payment, if any, that was remitted electronically with the tentative return, Form CBT-200-T.
- (c) Include any overpayment from the preceding tax return that the taxpayer elected to have credited to the current year's tax. Do not include any amount of the overpayment that the taxpayer elected to have refunded.
- (d) Include any payments remitted electronically through the Electronic Funds Transfer Program.
- (e) Line 19(a) – Include the total payments made by partnerships on behalf of the taxpayer that are reported in Column 7 on Schedule P-1. Submit copies of the K-1s reflecting payments made by each partnership entity.
- (f) Line 19(b) – Include the amount of credit(s) calculated on the applicable credit form(s) that is statutorily refundable.

NOTE: PC installment payments from the prior year may not be used to offset any current year tax liability and are NOT eligible for refund.

46. DELINQUENT FILING AND/OR TAX PAYMENT – COMPUTATION OF PENALTY AND INTEREST:

Late Filing Penalty – 5% per month or fraction thereof on the amount of underpayment not to exceed 25% of that underpayment, except if no return has been filed within 30 days of the date on which the first notice of delinquency in filing the return was sent, the penalty shall accrue at 5% per month or fraction

thereof of the total tax liability not to exceed 25% of such tax liability. Also, a penalty of \$100 for each month the return is delinquent may be imposed.

Late Payment Penalty – 5% of the balance of tax due paid after the due date for filing the return may be imposed.

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 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 will be charged. The interest rates assessed by the Division of Taxation are published online at www.nj.gov/treasury/taxation/interest.shtml.

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 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.

Civil Fraud – If any part of an assessment is due to civil fraud, there shall be added to the tax an amount equal to 50% of the assessment in accordance with N.J.S.A. 54:49-9.1.

UNDERPAYMENT OF ESTIMATED TAX – Taxpayers must use either Form CBT-160-A or Form CBT-160-B to determine whether an underpayment exists in any of the installment payment periods and if the corporation is subject to an interest charge on such underpayment, the amount of interest. If the taxpayer qualifies for any of the exceptions to the imposition of interest for any of the installment payments, Part II must be completed and should be filed with the taxpayer's return, Form CBT-100, as evidence of such exception. The CBT-160 must be attached to the return and any interest due included on line 21, page 1 of Form CBT-100.

47. REFERRAL COST RECOVERY FEE: In accordance with N.J.S.A. 54:49-12.3, a Referral Cost Recovery Fee of 10.7% of any tax, penalty and interest due will be added to your liability if the matter is assigned to an outside collection agency. For delinquent periods, if that period is assigned to an outside collection agency, a Referral Cost Recovery Fee will be assessed prior to the filing of a Certificate of Debt.

48. AMENDED RETURNS: To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year and write "AMENDED RETURN" clearly on the front page of the form. Mail to: State of New Jersey, Division of Taxation, CBT Refund Group, PO Box 259, Trenton, NJ 08695-0259.

INDEX OF CBT-100 SCHEDULES, FORMS, AND INSTRUCTIONS

Page		
2	Schedule A	Computation of Entire Net Income
3	Schedule A-2	Cost of Goods Sold
3	Schedule A-3	Summary of Tax Credits
4	Schedule A-4	Summary Schedule
4	Schedule A-5	Federal IRC Section 199 Adjustment
4	Schedule A-6	IRC Section 250 Deduction
5	Schedule A-GR	Computation of New Jersey Gross Receipts and Minimum Tax
5,6	Schedule AM	Alternative Minimum Assessment for C Corporations
7	Schedule B	Balance Sheet
7	Schedule C	Reconciliation of Income Per Books with Income Per Return
8	Schedule C-1	Analysis of Unappropriated Retained Earnings Per Books
8	Schedule E	General Information
8	Schedule F	Corporate Officers – General Information and Compensation
9	Schedule G	Interest, Interest Expenses, and Costs and Intangible Expenses and Costs
*	Schedule G-2	Claim for Exceptions to Disallowed Interest and Intangible Expenses and Costs
10	Schedule H	Taxes
18	Schedule I	Certification of Inactivity
10	Schedule J	General Information for Allocating Taxpayers and Computation of Allocation Factor
11	Schedule L	Investment Companies
11	Schedule M	Regulated Investment Companies & Real Estate Investment Trusts
*	Schedule N	Nexus – Immune Activity Declaration
*	Schedule O	Nonoperational Activity
12	Schedule P	Subsidiary Investment Analysis
12	Schedule P-1	Partnership Investment Analysis
12	Schedule PC	Per Capita Licensed Professional Fee
*	Schedule PT	Previously Taxed Dividends
13	Schedule Q	Qualified Subchapter S Subsidiaries (QSSS)
13	Schedule R	Dividend Exclusion
*	Schedule RT	Allocated Tiered Subsidiary Dividend Exclusion
14-17	Schedule S	Depreciation and Safe Harbor Leasing
*	Form 300	Urban Enterprise Zone Employees Tax Credit and Credit Carry Forward
*	Form 301	Urban Enterprise Zone Investment Tax Credit and Credit Carry Forward
*	Form 302 and 302-A	Redevelopment Authority Project Tax Credit and Credit Carry Forward
*	Form 303	Recycling Equipment Tax Credit
*	Form 304 and 304-A	New Jobs Investment Tax Credit
*	Form 305 and 305-A	Manufacturing Equipment and Employment Investment Tax Credit
*	Form 306 and 306-A	Research and Development Tax Credit
*	Form 308 and 308-A	Small New Jersey-Based High-Technology Business Investment Tax Credit
*	Form 310	HMO Assistance Fund Tax Credit
*	Form 311	Neighborhood Revitalization State Tax Credit
*	Form 312	Effluent Equipment Tax Credit
*	Form 313	Economic Recovery Tax Credit
*	Form 315	AMA Tax Credit
*	Form 316	Business Retention and Relocation Tax Credit
*	Form 317	Sheltered Workshop Tax Credit
*	Form 318	Film Production Tax Credit
*	Form 319	Urban Transit Hub Tax Credit
*	Form 320	Grow New Jersey Tax Credit
*	Form 321	Angel Investor Tax Credit
*	Form 322	Wind Tax Credit
*	Form 323	Residential Economic Redevelopment and Growth Tax Credit
*	Form 324	Business Employment Incentive Program Tax Credit
*	Form 325	Public Infrastructure Tax Credit
*	Form 500	Net Operating Loss and Carryover
*	Form 501	Domestic Production Activities Deduction (IRC 199 Adjustment)

* These schedules and forms are available on the Division of Taxation's website or by contacting the Division.

TAX FORMS AND INFORMATION

To obtain tax forms, information, and Tax Topics Bulletins, you can access the Division of Taxation's website at www.nj.gov/treasury/taxation. NJ TaxTalk provides prerecorded information on NJ tax topics by calling on a touch-tone phone either within New Jersey at 1-800-323-4400 or 609-826-4400 elsewhere. To speak to a Division of Taxation representative, call the Division's Customer Service Center at 609-292-6400.