

New Jersey State Tax News

Winter 1995

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New Format for Returns

The New Jersey resident income tax return has a new look in 1995. Every line of the redesigned form provides the preparer with a series of boxes in red "drop out" ink to accommodate each digit of the relevant numeric entry. The information will be scanned electronically, resulting in faster, more accurate processing of returns. Some line numbers on the NJ-1040 resident return have changed from last year because of the new format.

Information from both the NJ-1040 and the HR-1040 will be scanned electronically. When completing these forms, make sure

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Separate HR-1040

For tax year 1995, the Homestead Property Tax Rebate Application (Form HR-1040) is now a stand-alone form. This change was designed to simplify the filing of the HR-1040 for those qualified homeowners and tenants who are not required to file a State income tax return.

File the rebate application (Form HR-1040) and the New Jersey Income Tax Resident Return, if required, by the due date of the State income tax return, generally April 15. If an extension of time to file the income tax return is requested, the rebate application must be filed together with the tax return by the extended due date. □

Interest 11.5% for Fourth Quarter

The interest rate assessed on amounts due for the fourth quarter of 1995 is 11.5%.

The assessed interest rate history for the last eight quarters is listed below.

Effective Date	Interest Rate
1/1/94	9%
4/1/94	9%
7/1/94	9%
10/1/94	9%
1/1/95	11.5%
4/1/95	11.5%
7/1/95	11.5%
10/1/95	11.5%

important phone numbers

Tax Hotline.....	609-588-2200
Recorded Tax Topics.....	800-323-4400
Speaker Programs.....	609-984-4101
NJ TaxFax.....	609-588-4500
Alcoholic Bev. Tax.....	609-984-4121
Corporate Mergers, Withdrawals & Dissolutions.....	609-292-5323
Corporate Tax Liens.....	609-292-5323
Director's Office.....	609-292-5185
Inheritance Tax.....	609-292-5035
.....	609-292-5035
.....	609-292-7147
Local Property Tax.....	609-292-7221
Motor Fuels Tax	
Refunds.....	609-292-7018
Public Utility Tax.....	609-633-2576
Tax. Registration.....	609-292-1730

return format - from pg. 1

that the numbers entered are legible. All numbers must be within the red frame of each box. **Do not staple, tape or clip** anything to the NJ-1040 or HR-1040. This includes W-2s, 1099s, check or money order, schedules or copies of other states' tax returns. **Enclose** these and any other pertinent items in the envelope with the form(s). □

Telefile Program

Beginning January 16, 1996, the Division of Taxation will implement a Telefile pilot program which will allow certain New Jersey residents to file their 1995 income tax returns and homestead rebate applications by telephone. During the pilot program, the number of filers will necessarily be limited to pre-selected taxpayers but the program will be expanded the following year to permit many more taxpayers to take advantage of this new program. Studies show that close to one out of every three New Jersey resident taxpayers could file their tax returns by Telefile.

The advantages of Telefile are many. It is quick; it is easy and it is accessible. The system will be available 24 hours a day, 7 days a week beginning on Tuesday, January 16, 1996. Telefile returns will be accepted up until midnight Monday, April 15, 1996. □

GROSS INCOME TAX

Reporting Business Income

The organization and operation of a particular business enterprise dictates the category(s) that busi-

ness enterprise's income or loss is reportable in for New Jersey Gross Income Tax purposes. Individuals may derive income from enterprises organized as sole proprietors, partnerships, or S corporations. The individual's income or loss is required to be reported in the appropriate category of income, specifically, "Net Profits from Business," "Net Distributive Share of Partnership Income" plus flow-through items by category, and "Net Pro Rata Share of S Corporation Income," respectively.

The taxpayer may not reclassify and report one form of business income or loss as another, for example, "Net Distributive Share of Partnership Income" as "Net Profits from Business" and vice versa.

All choices affecting the computation and classification of partnership income are made by the partnership. The individual partner must report the items shown on their Schedule NJK-1 (Form NJ-1065) (or as reported on the Federal Form 1065 K-1 if no Schedule NJK-1 is received). The individual partner may not reclassify any item of income, loss or deduction/expense reflected on their K-1 any more than an employee-type taxpayer is permitted to reclassify or alter amounts reported on their W-2.

A new category of income, "Net Pro Rata Share of S Corporation Income," was created with the passage of legislation recognizing S corporations for New Jersey tax purposes. This applies to tax years beginning after July 7, 1993. Unlike the New Jersey and Federally recognized flow-through treatment of income, gain or loss earned by a partnership, S corporation income, gain or loss DOES NOT retain its category character when flowed-

through to the individual shareholders. Rather, the income is combined to form the single category, "Net Pro Rata Share of S Corporation Income."

Example:

An individual taxpayer in the business of real estate development acquires, fixes up, and leases

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New Jersey State Tax news

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**New Jersey Division of Taxation
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CN 281
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business income - from page 2

properties. Each property was organized and operated as a separate business enterprise, either as a partnership or an S corporation. The individual taxpayer solicits and secures investors for the various business enterprises. Occasionally the individual taxpayer would not seek additional investors and would hold the property as a sole proprietor.

From operations in 1994 the individual taxpayer filed a Schedule C and Schedule E as part of his Federal return. The Federal filing characterized the income as follows:

One Schedule C business "Properties Mine" Net Income	\$10,000
Listed on Schedule E: Partnership A "Olde Shoppe Center"	(200,000)
Partnership B "Apartment Property"	50,000
S Corporation 1 "Low Cost Housing Inc."	150,000
S Corporation 2 "Cheap Digs Corporation"	(25,000)

Also on the Federal return were other items of income derived from the partnership and S corporations. These items were reported to the individual partner/ shareholder by the businesses on the Form 1065 K-1s and Form 1120S K-1s.

	IRC& Interest	1231 Gain
Partnership A	\$100	
Partnership B	250	\$500,000
S Corporation 1	125	
S Corporation 2	225	

On the New Jersey return, the resident taxpayer reported Sched-

ule C income of \$485,700 which represents the net of all items of income from all the real estate businesses.

On audit the Division of Taxation would make the following **adjustments** reflecting the income in its proper category for New Jersey Gross Income Tax purposes:

	Adjustments
Interest (from Partnerships A & B)	\$350
Net profits from business (Schedule C) (Net profits from business will be \$10,000)	(475,700)
Net gains or income from disposition of property	500,000
Distributive share of partnership income (Net of Partnerships A & B is a \$150,000 loss)	0
Net Pro Rata share of S corporation income (Net of S Corporations 1 & 2)	<u>\$125,350</u>
Total Change – Increase to Income	\$150,000

In order to properly complete an individual New Jersey Gross Income Tax return, each individual must treat income and loss information consistent with the form in which they receive that information. The individual taxpayer may not reclassify income in a fashion that is inconsistent with the way each business enterprise reported it to them.

To further aid the taxpayer the Division of Taxation has made available Tax Topic Bulletin GIT-9, *Income from Partnerships and S Corporations*. The 44-page booklet, written for individuals, can be requested from NJ TaxFax

at (609) 588-4500 or by dialing (609) 588-2200.

□

Information for Juror Source List

P.L. 1995, c.44 (signed into law on March 7, 1995) revises the law relating to the selection and impaneling of juries. The legislation provides that the names of persons eligible for jury service will be selected from a single juror source list of county residents whose names and addresses shall be obtained from lists of registered voters, licensed drivers, and filers of gross income tax returns and homestead rebate applications.

Accordingly, the Division of Taxation will provide, annually, a list of the names, addresses and social security numbers of gross income tax and homestead rebate filers to the Administrative Office of the Courts for the purpose of compiling a juror source list. □

William Kingsley, Director

William Kingsley, former Director of the New Jersey Division of Taxation, died on October 9, 1995 at the age of 93.

Mr. Kingsley, who had been with the Division for 35 years, served as Deputy Director from 1958 to 1960, and as Acting Director from 1961 until he retired in 1969.

A 1929 graduate of the New Jersey Law School, Mr. Kingsley was also a member of the National Tax Association.

Page 4 – left blank

CORPORATION TAX
**Tax Clearance
 and Dissolution**

The Division has received numerous inquiries questioning whether or not a tax clearance certificate is required in all dissolution cases. The following is a summary of the *NO FEE* dissolution and dissolution *WITHOUT ASSETS* provisions available to certain taxpayers.

In accordance with Section 14A:12-2 of the statutes, a corporation may dissolve "before commencing business" provided that it:

- (a) has not commenced business;
- (b) has not issued any shares;
- (c) has no debts or other liabilities; and
- (d) has received no payments on subscriptions for its shares or, if it has received such payments, has returned them to those entitled thereto, less any part thereof disbursed for expenses.

Section 14A:12-4.1 provides for a dissolution "Without Assets" if the corporation:

- (a) has no assets;
- (b) has ceased doing business and does not intend to commence doing business; and
- (c) has not made any distributions of cash or property to its shareholders within the last 24 months and does not intend to make any distribution following dissolution.

Corporations wishing to dissolve under the provisions of the above referenced statutes may file a certificate of dissolution with the New Jersey Secretary of State without the necessity of obtaining a tax

clearance certificate from the Director, Division of Taxation. However, there is no provision within these statutes which exempts a corporation from filing returns with the Division. All returns must be filed and paid up to the date of filing of the certificate of dissolution. □

INHERITANCE/ESTATE TAX
**Nonresident
 Inheritance Tax**

The nonresident inheritance tax is a tax on the transfer by a nonresident decedent of real and tangible personal property located in this State. If the property passes by will or intestacy, the tax is computed using the nonresident ratio tax method, unless the transfer is by specific devise. Property passing by specific devise or to a surviving joint tenant, a transfer made in contemplation of death within three years of decedent's death and transfers intended to take effect at or after death are taxed directly to the transferee at the resident rates.

The purpose of the ratio tax is to equalize the rate of tax imposed on resident and nonresident estates. The tax assessed will be a percentage of that which would be assessed against an estate if the decedent had died a resident of this State. That percentage is determined by finding the ratio of the New Jersey real and tangible personal property to the total estate everywhere.

In determining the amount due, a tax is first computed on the decedent's entire estate, wherever situated, as if the decedent was a New Jersey resident and his entire estate was located here. This hypothetical resident tax is then multiplied by the ratio that the New Jersey real

and tangible personal property bears to the entire estate, wherever situated. The tax is computed as follows:

$$\frac{\text{NJ Real and Tangible Personal Property}}{\text{Entire Estate}} \times \frac{\text{Tax on Entire Estate}}{\text{Estate}} = \text{Tax Due}$$

Like resident returns, the nonresident inheritance tax return is due within eight months of the decedent's date of death. Form IT-NR is the inheritance tax return utilized for reporting a nonresident's estate. If the transfer of the taxable property is subject to the ratio tax, the estate has the option of two methods of reporting the estate and computing the tax. The "flat tax affidavit" ratio method utilizes the gross estate, both within and outside of New Jersey, while the "full disclosure" ratio method utilizes the net estate. Worksheets are provided for the computation of the tax under either method.

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Electronic Filing

- ◆ Are you filing Federal income tax returns electronically?
- ◆ Would you like to file New Jersey income tax returns electronically?

Beginning in 1996 (1995 tax returns), the New Jersey Division of Taxation will accept electronically filed income tax returns.

For additional information, call the Division's Hotline at (609) 588-2200 or write New Jersey Division of Taxation, ELF, CN 191, Trenton, NJ 08646-0191.

Waivers are issued for New Jersey real estate only. They are not required for the release of tangible personal property. The release of any New Jersey intangible personal property is accomplished by affidavit of domicile submitted directly to the bank, transfer agent, etc., each of whom has the authority to release those assets without a waiver if they have determined that the decedent was not a resident of New Jersey. Nonresident estates containing only New Jersey intangible personal property need only to follow this same procedure, there being no filing requirement.

There is no New Jersey Estate Tax assessed on estates of nonresidents.

□

Electronic Data Interchange

On September 1, 1995, the Division of Taxation, Field Audit Branch, established the Electronic Data Interchange (EDI) Consulting Group. This group is headed by Robert W. Shickora, Supervising Auditor, and is located in Somerville. Mr. Shickora has been involved in computer related activities for Field Audit and the Division of Taxation since 1982. Most recently, he has been the representative for the New Jersey Division of Taxation to the American National Standards Institute's Accredited Standards Committee for X12. This committee has the responsibility of approving all Electronic Data Interchange standards.

One of the main functions of the EDI Consulting Group is to meet with taxpayers and review their EDI systems to offer comments on whether or not proper controls and data retention are in place to sat-

isfy the State's record keeping requirements.

In order to identify EDI users among taxpayers, a questionnaire has been developed and will be mailed to target taxpayers, tax professionals and industry leader groups such as TEI, COST, etc. The offer to take advantage of this free consultation service is being presented to all taxpayers which we believe to be a better alternative than waiting for other contact by the Division, i.e., an investigation, or audit, which could result in the taxpayer being out of compliance with the State's regulations.

Additionally, the EDI group will be responsible for redesigning and enhancement to our current system of computer auditing. This will include moving audit data that is currently processed on the mainframe computer of the Department of the Treasury to a secure PC operation, thus saving expensive mainframe costs and speeding up turnover time. In addition, we will be assisting in the enhancement of PC applications to accommodate the newly developed EDI/Auditing procedures.

To avail yourself of the services offered, contact the EDI Consulting Group at:

Electronic Data Interchange
Consulting Group
75 Veterans Memorial Drive East
Suite 103
Somerville, NJ 08876
(908) 704-3080 □

Pennsylvania Amnesty Program

On October 13, 1995, Pennsylvania began its first-ever Tax Amnesty Program, which will run until January 10, 1996. The program applies to nonresident as well

as resident businesses and individuals.

During the 90-day tax amnesty period, taxpayers owing Pennsylvania taxes can come forward, make full payment of their delinquent state taxes plus interest without paying penalty. Those who take advantage of tax amnesty must also remain current in their reporting for a minimum of two years or risk losing the benefits of tax amnesty plus incurring additional penalties.

Delinquent taxpayers who do not take advantage of the Tax Amnesty program by January 10, 1996, will have an additional 15 percent penalty levied on all past due taxes, interest and penalty.

The Department of Revenue, which is required by law to notify tax delinquents about the amnesty program, has sent notices to over 500,000 known delinquents.

Eighteen different state taxes, such as business, sales and use, personal and motor fuels taxes, are included in tax amnesty. Taxes which are not included are: Federal or local government taxes, Unemployment Compensation Tax, Passenger Car Rental Tax, Public Transportation Tax, the \$1 tire tax or local sales taxes.

To qualify for tax amnesty, delinquent taxpayers must: have failed to file a return or pay any tax due and payable on or before December 31, 1993; owe state taxes, interest or penalties for periods due prior to December 31, 1993; or have underreported taxes on any tax return due on or before December 31, 1993. Those under criminal investigation by the PA

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PA amnesty program - from page 6

Department of Revenue are NOT eligible for tax amnesty. Also, taxes due after December 31, 1993 are not included in tax amnesty; penalty will not be abated for taxes due after December 31, 1993.

After January 10, 1996, the Department will begin an aggressive enforcement effort, including the use of new computer technology in addition to the 15 percent non-participation penalty. The Keystone Integrated Tax System, a new computer technology system, is slated to go on-line in mid-January and will enhance processing and increase the ability to identify delinquent taxpayers.

A first for the Department of Revenue includes the use of the internet. The Department has information available on the World Wide Web. The homepage address is: <http://www.epix.net/homepage/parev>. Information is also available 24 hours a day by calling 1-800-2-AMNESTY (226-6378). □

LOCAL PROPERTY TAX F.E.A.C. Adopts Values for 1996

The Farmland Evaluation Advisory Committee (F.E.A.C.) met on August 30, 1995 at the Philip Alampi Laboratory in West Trenton to adopt productivity assessment values for land receiving farmland assessment in 1996. The thirty-second Report of the Committee (showing the value ranges adopted) is mailed to municipal tax assessors and county boards of taxation by October 1 of each pre-tax year. Land qualifying for farmland assessment must be assessed in accordance with its agricultural

or horticultural use rather than its true or market value.

The farmland productivity values adopted by the Committee for the 1996 tax year increased in 16 of the 20 counties where qualified farmland is located. Increases in cropland having a B soil group rating averaged from \$20 to \$40 per acre when compared to 1995 values. Overall net farm income of land in agricultural and horticultural use in New Jersey is estimated to have increased approximately 3.8% over the prior year. □

LOCAL PROPERTY TAX Farmland Acreage Declines

A report summarizing data from farmland assessment applications (Form FA-1) has recently been completed. The study shows that total acreage devoted to agricultural or horticultural use in 1994 was 1,177,419 acres for the entire State.

The data for tax year 1994 reflect a continued decline in the amount of qualified farmland since enactment of Chapter 48, Laws of 1964 (the "Farmland Assessment Act"). Since 1983, the year in which the highest acreage, 1,271,882 acres, qualified for farmland assessment, the amount of qualified acreage has declined 7.4% or a total of 94,463 acres.

24.50% of New Jersey's land mass is approved under the Farmland Assessment Act. Hudson County remains the only county without farmland. Essex and Union each report less than 500 acres devoted to agricultural or horticultural use. Conversely, Salem, with 58.7%, has the greatest proportion of its land qualified under the Act. Other counties with large percentages of

qualified farmland are: Hunterdon, 52.9%; Warren, 50.6%; Gloucester, 38.9%; Sussex, 34.9% and Mercer, 33.6%. □

LOCAL PROPERTY TAX Reimbursements Certified

The 1995 State Revenue Sharing Act Distribution for senior and disabled citizens, surviving spouses and veterans was delivered to the State Treasurer on September 15, 1995.

Under the provisions of R.S. 54A:10-1 et seq., as amended, the Director of the Division of Taxation certified to the State Treasurer in this report the amount of revenue sharing funds due each municipality on November 1, 1995.

The total amount of property tax deductions for senior and disabled citizens and surviving spouses for 1995 was \$37,320,559. That amount represents a decrease of 4.2% from 1994.

The total number of property tax deductions for senior and disabled citizens and surviving spouses for 1995 was 148,619. When compared to tax year 1994 the number of deductions decreased 3.2%.

The total amount of veterans deductions for 1995 was \$18,438,452. That amount represents a decrease of 2.6% from 1994.

The total number of veterans deductions for 1995 was 369,795. When compared to tax year 1994 the number of deductions decreased 2.3%. □

LOCAL PROPERTY TAX Income Guidelines for \$250 Deduction

The Revised 1995 Income Guidelines For Real Property Tax Deduction for Senior Citizens, Disabled Persons and Surviving Spouses have been sent to tax assessors, tax collectors, county tax board commissioners, and county tax board administrators. These guidelines pertain to Property Tax Deduction Claims (Form PTD) for tax year 1995 and Annual Post-Tax Year Statements (Form PD5) filed by March 1, 1996. A statutory definition of income as well as further related information provided in the New Jersey Administrative Code can be found in this distribution. Recent inquiries concerning "rental income" have been referred to this memorandum wherein "N.J.A.C. 18:14-1.1 defines 'business income' as gross income derived from business, trade, profession or the rental of property after deductions of the ordinary and necessary expenses of the business, trade, profession or rental of property as allowed under the Federal Internal Revenue Code and regulations." It is important to remember that although the guidelines were revised two years ago, the statutory and regulatory bases have not changed. The guidelines also contain various income scenarios illustrating the amount of deduction allowed (maximum 1995 Social Security benefit is \$14,421) and the eligibility status of the claimant. □

LOCAL PROPERTY TAX Tax Assessors' Calendar

January 1-

- Duplicate of tax map approved previous year filed with the County Clerk or County Register of Deeds by taxing district.
- Hearings of added assessment appeals completed by County Tax Board.
- Hearings of assessors' omitted assessment appeals completed by County Tax Board.

January 10-

- Notice of material depreciation to structure occurring after October 1 and before January 1, given to assessor by taxpayer.
- Copy of Initial Statement and Further Statement filed with County Tax Board.
- Assessment Lists and duplicates filed with County Tax Board.
- Duplicate copy of municipal tax map filed with County Tax Board.
- One copy of each FA-1 application form for Farmland Assessment forwarded to Property Administration, Division of Taxation, by tax assessor.
- Two copies of Form SR-3A filed with County Tax Board.
- Statement of estimated total amount of approved veteran and property tax deductions filed with County Tax Board.

February 1-

- Notices of current assessment and preceding year's taxes issued to taxpayer by tax assessor.
- Appeal time, where assessor fails to notify taxpayer of current assessment and preceding

year's taxes, or change in assessment extended by County Tax Board for any taxpayer aggrieved by the assessed valuation of his property or of other property in the county.

- MOD IV Master file sent to Property Administration via magnetic tape.
- Schedule of office hours for assessors summarized by County Tax Administrator and furnished to Director, Division of Taxation.

March 1-

- Post-Tax Year Statement, PD5, filed with tax collector by all recipients of property tax deduction.
- County Tax Administrator to submit equalization table to County Tax Board, each assessor, Division of Taxation, and post a copy at the court house.

March 10 (before)-

- Equalization table hearings completed by County Tax Board.

March 10-

- Confirmed equalization table sent by County Board of Taxation to each taxing district in the county, to Director, Division of Taxation, and to the Tax Court.

□

**LOCAL PROPERTY TAX
Tax Assessor
Certificates**

The tax assessor examination is held in accordance with the Assessor Certification and Tenure Act, which requires that anyone taking office as a tax assessor after July 1, 1971 must hold a tax assessor certificate.

Thirty-five persons passed the examination for the tax assessor certificate held on September 30, 1995:

Bergen County: Daniel M. Haber, Fort Lee Borough; Timothy J. Henderson, Fair Lawn Borough.

Burlington County: James A. Jeffers, Jr., Mount Holly Township; Ernest R. Darpino, Medford Lakes Borough; Leo J. Solomon, Medford Township.

Camden County: Glenn Sudeck, Voorhees Township.

Cape May County: Donald F. Springer, Lower Township.

Essex County: Sandra L. Barrows, Caldwell Borough Township; Robert M. Noesner, Maplewood Township; Richard C. Noonan, South Orange Village Township.

Hudson County: Joan M. Comp, Kearny Town; Jennifer Mattaliano, Bayonne City.

Hunterdon County: Eileen A. Centalanza, Holland Township;

Stephen T. Carr, Readington Township.

Mercer County: William S. Borden, Jr., Princeton Borough; Mario DiStefano, Trenton City.

Middlesex County: Marie K. Bober, Woodbridge Township; Franklin P. Colon, Old Bridge Township; Richard T. Duda, Woodbridge Township; Gale Lee, Sayreville Borough; Anne M. Major, Sayreville Borough; Rodney B. Patterson, New Brunswick City.

Morris County: Lisa A. Reinhart, Mount Arlington Borough; Debra A. Secola, Dover Town.

Ocean County: Lawrence G. Caprio, Lacey Township; Linda M. Solakian, Jackson Township.

Passaic County: William N. Bradley, Jr., Pompton Lakes Borough; Michael A. Keough, Pompton Lakes Borough; John K. Marchione, Clifton City.

Somerset County: Antonio R. DiRado, Raritan Borough; Barbara A. Flaherty, Hillsborough Township; Carolyn J. Moore, Branchburg Township.

Sussex County: Robert G. Cooper, Jr., Byram Township.

Union County: Dennis M. Noonan, Cranford Township.

Warren County: Richard J. Motyka, Hope Township.

The next exam is scheduled for March 30, 1996. The last date for accepting applications for this exam is February 29, 1996. Admission to the exam will be by application only. There is a filing fee of \$10.00.

Write to:
Assessor Certification
Property Administration
Division of Taxation
CN-251
Trenton, New Jersey 08646-0251
□

**Criminal
Enforcement**

Criminal Enforcement over the past several months included:

- A Federal grand jury indicted 25 people with taking part in an elaborate "daisy chain" scheme that defrauded New Jersey and the Federal Government out of more than \$140 million in tax revenues on approximately half a billion dollars of motor fuel sales. Fifteen of those indicted are émigrés from the former Soviet Union. The charges include conspiracy, fraud, tax evasion and money laundering. This indictment, which is the biggest criminal motor fuel excise tax indictment in US history, is another case resulting from the joint undercover investigation "Operation Red Daisy." If convicted on all counts charged, the defendants face Federal prison terms and millions of dollars in fines, in addition to restitution.

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criminal enforcement - from pg. 9

- Howard R. Levy, president of Toy Box, Inc., was indicted on five counts relating to the evasion of New Jersey taxes. The counts included the failure to file or filing false or fraudulent tax returns, and the failure to turn over sales tax as required with the intent to evade. The offenses, which took place between January, 1992 and April, 1994, were uncovered in a joint investigation with the Monmouth County Prosecutor's Office.
- Elliot Mack, President of Acme Liquors, pled guilty in Essex County Superior Court to an accusation charging misapplication of entrusted funds. Between July 1990 and June 30, 1995, Mack collected \$78,074.56 in New Jersey sales tax which he subsequently misappropriated. The plea agreement mandates Mr. Mack to pay the sales taxes, penalties and interest on the misappropriated funds by December 31, 1995. He was also ordered by the judge to sell his liquor license.
- Winnie Demkowicz, President of Laurina Enterprises Inc., a bar and restaurant located in Elizabeth, New Jersey, waived Grand Jury Indictment and has requested entrance into the Pre-Trial Intervention Program. Ms. Demkowicz, who pled to a charge of misapplication of entrusted funds, collected \$43,591.04 in sales tax between July 1, 1990 and September 30, 1993 which she subsequently misappropriated. Ms. Demkowicz has made restitution to the State of the taxes she stole.
- James H. Haluszka, the former Chief Financial Officer of Ocean Gate Borough and the subject of an investigation of irregularities within the borough offices, received a seven count indictment on October 17, 1995 by the Ocean County Grand Jury. Included in one count for Official Misconduct, was Haluszka's failure to file and remit New Jersey withholding taxes for 1993 and 1994 for borough employees. Brenda Chapman, a member of the Division's Office of Criminal Investigation activity, was cited by the prosecutor's office for her professionalism and expertise in analyzing the financial records.
- Three cigarette tax cases resulted in the arrest of individuals for transporting and possessing cigarettes not bearing NJ revenue stamps. A total of 2,736 cartons were confiscated. □

Enforcement Summary

Civil Collection Actions Quarter Ending - September 30, 1995

Following is a summary of enforcement actions for the quarter ending September 30, 1995.

Certificates of Debt

During the quarter ended September 30, 1995, the Division filed 3,947 Certificates of Debt in New Jersey Superior Court. These COD's, which have the same force and effect as docketed judgments, totaled \$33.7 million.

Levies

\$2.15 million was collected by Field Investigations as a result of executing against 347 non-

compliant taxpayers. In addition, \$107,812 was collected by levying against payments made under State contracts to satisfy debts owed by State vendors.

Seizures

When a liability, for which the Division of Taxation has secured judgments, cannot or will not be satisfied by a taxpayer and all other means of collection of the debt have been exhausted, seizure of the business and personal assets will take place. Field Investigators will close a business, seizing any tangible assets including licenses, inventory, machinery, furniture, vehicles, etc., until arrangements are made for payment of the debt.

For the quarter ending September 30, 1995, 33 businesses were seized. Some businesses were able to reopen, others remain closed. A listing of seized businesses appears on pages 13 and 14.

Auctions

If the liability of a business seized by the Division is not satisfied or resolved, the business will remain closed. To satisfy the debt, the Division can sell the business assets at a public auction.

During the quarter ending September 30, 1995, four auctions were held by the Division. A listing follows on page 14.

In the event an auction does not net enough monies to resolve the debt, the Division will execute against the personal assets of any of the business's responsible officers. Responsible officers are held personally liable for the trust fund portion of the debt which includes, but is not limited to, sales tax, withholding tax and motor fuels tax. □

Tax Briefs

Corporation Business Tax

IRC 368(a)(1)(A) Merger — X Corporation is a New Jersey corporation. X Corporation is the holder of a note and mortgage received in exchange of the sale of real property located in the State of New Jersey. X Corporation reports gain generated from the sale of the property on the installment method for both Federal income and New Jersey Corporation Business Tax purposes. X Corporation plans to merge into a newly formed Florida corporation. There will be no parent-subsidiary relationship after the merger. The Florida corporation will not have net operating loss carryovers. The merger will qualify for tax free treatment for Federal income tax purposes under IRC Section 368 (a)(1)(A). In addition, the merger will not result in the acceleration of the installment gain for Federal income tax purposes. After the transaction, the Florida corporation will allocate income and losses for New Jersey purposes in accordance with N.J.S.A. 54:10A-6. The Florida corporation will obtain a Certificate of Authority and will, therefore, be authorized to do business in New Jersey. The Florida corporation will be involved in an active business located in Florida.

On these facts, the Division advised that, first, for New Jersey Corporation Business Tax pur-

poses the merger will not cause acceleration of gain, provided that the survivor is authorized in New Jersey. Second, the merger will be tax free for New Jersey Corporation Business Tax purposes. Once the survivor receives a Certificate of Authority to do business in New Jersey, taxpayer can bypass the tax clearance process. Merger documents should be submitted directly to the Office of the Secretary of State.

Research Credit — “For in-house research expenses, this trade or business requirement will be met if the principal purpose for conducting the research is to use the results of the research in the active conduct of a future trade or business.”

The inquirer asked whether this language would disqualify expenditures relating to an existing business under the following facts: A corporation conducts in-house research for the purpose of enhancing an existing business. All of the research for which CBT

credit is to be claimed was performed in New Jersey and the dollar expenditure in 1994 was sufficient to satisfy the stipulated base period requirements. All of the expenditures for which credit is claimed for New Jersey CBT purposes are eligible for credit under IRC §41 as in effect on June 30, 1992.

The Division responded that the legislative history of P.L. 1993, c.175 which established the research credit, reads in part, “This substitute [bill] is based on the same credit base, rules and restrictions as the federal research and development credit provided under the federal Internal Revenue Code of 1986, provided that the credit under the bill is limited to expenditures made in New Jersey. This use of existing federal laws should simplify the administration of the tax and reduce compliance costs.”

Thus, the regulatory language of N.J.A.C. 18:7-3.23(r) should not be interpreted to disqualify expenditures relating to an existing business because the legislature intended that the New Jersey research credit be based upon the same credit base, rules and restrictions as the Federal credit is based upon. Since the expenditures, in this case, would qualify for the Federal credit, they also qualify for the State credit.

**DO
NOT
STAPLE
ANYTHING
(W-2s, schedules, check, etc.)
to
Form NJ-1040
or
Form HR-1040**

Division of Taxation Seizures (July – September 1995)

Note: Businesses listed may have satisfied their tax liability or otherwise come to agreement with the Division following the date of seizure and may now be reopened.

County	Name/Address	Seizure Date	Business Type	Status
Atlantic	TISMI, Inc. – Lenny D. Buena Borough	07-05-95	Bar	Closed; License Seized
	Jack's Electrical, Inc. Somers Point	08-15-95	Electrical	Vehicle Returned
Bergen	Augie's Riverside Oakland	08-02-95	Bar	Bankruptcy
Burlington	Hamm, David & Krienes, Joanne Marlton	07-18-95	Florist	Bankruptcy
	Channey Bang t/a Classic Video Mt. Laurel	08-03-95	Video Store	Closed
Camden	JP & EW, Inc. Lindenwold	07-13-95	Bar/Restaurant	Reopened
	Dickey, John, T., D.D.S. Pennsauken	09-13-95	Dentist	Bankruptcy
	Weber, Walter t/a Plug N Fender Chews Landing	09-20-95	Auto Repair	Closed
	Three Star Development Group, Inc. t/a Newstop Voorhees	09-28-95	Newsstand	Closed
Cape May	County Library II, Inc. North Wildwood	07-06-95	Bar	Closed; License Seized
	Pot Bellys, Inc. Rio Grande	07-25-95	Restaurant	Closed
	Waldo, Inc. Wildwood	08-01-95	Bar	Reopened
	BST Enterprises Ocean City	08-15-95	Film Developing	Bankruptcy
	Miss Kitty's Saloon & Dance Hall, Inc. North Wildwood	08-21-95	Bar	Reopened
Gloucester	J. Medica Auto Body Turnersville	08-01-95	Auto Body	Bankruptcy
	Iona Lake Inn, Inc. Franklin Township	08-11-95	Restaurant	Closed; License Seized
Hudson	Pavonia Restaurant, Inc. Jersey City	08-10-95	Bar/Restaurant	Reopened
	Pona, Michael & Raymond t/a Pona's Auto & Truck Repair Bayonne	09-14-95	Auto Body Repair	Closed

continued on page 14

taxation seizures - continued from page 13

County	Name/Address	Seizure Date	Business Type	Status
Mercer	Miyon Sun t/a Classic Video East Windsor	08-03-95	Video Store	Closed
	Davis & Davis, Inc. t/a Doug's Blue Max Trenton	09-14-95	Bar	Closed; License Seized
Middlesex	Fifty-Seven Heaven, Inc. Jamesburg	07-05-95	Restaurant	Closed; License Seized
	Vukelic, Ivica t/a World Class Auto Body New Brunswick	08-22-95	Auto Body	Reopened
	Hill Bowl Lanes, Inc. Carteret	09-19-95	Bowling Alley	Closed; License Seized
Monmouth	Paul's Restaurant & Pizza Tinton Falls	07-20-95	Pizza Restaurant	Reopened
	Alpha, Ltd. Long Branch	07-21-95	Bar	License Only
	Jeffee's Restaurant Spring Lake	07-27-95	Restaurant	Reopened
	Labrador Lounge, Inc. Belmar	09-18-95	Restaurant	Closed
Ocean	Slice of Pizza, Inc. Seaside Heights	07-05-95	Pizza Restaurant	Open
	Vergona's Pizzeria & Restaurant Toms River	08-09-95	Restaurant	Bankruptcy
Passaic	W. Milford Power Equipment, Inc. West Milford	09-07-95	Power Equipment	Auctioned
Somerset	Channey Bang t/a Classic Video Hillsborough	08-03-95	Video Store	Closed
Sussex	Branchville Lunch Branchville	07-12-95	Luncheonette	Auctioned
Union	Seebech, Herbert Kenilworth	08-08-95	Deli	Reopened

***Division of Taxation Auctions
(July – September 1995)***

County	Name/Address	Auction Date	Business Type
Monmouth	Roblor, Inc. Manalapan	07-14-95	Book Store
Passaic	W. Milford Power Equipment, Inc. West Milford	09-27-95	Power Equipment
Sussex	Branchville Lunch Branchville	08-10-95	Luncheonette
Union	Sinclair's of Westfield, Inc. Westfield	08-30-95	Bar/Restaurant (License Only)

tax briefs - from page 11

S Corporation IRC 162 — A taxpayer asked whether interest paid to acquire stock in a New Jersey S corporation in which the purchaser actively participates is deductible by the individual shareholder against flow through income of the S corporation per the Federal model as business interest.

The Division advised New Jersey law does not permit a deduction for interest expense used to buy S corporation stock unless the taxpayer is in the business of investing in S corporations. If that were the case such deduction would appear on the taxpayer's Schedule C and not reduce the taxpayer's net pro rata share of S corporation income. See *Applestein v. Taxation, Div. Director*, 5 N.J. Tax 73 (Tax Ct. 1982). *aff'd*. 6 N.J. Tax 347 (App. Div. 1984), *Marrinan v. Taxation, Div. Director*, 10 N.J. Tax 542 (Tax Ct. 1989), *Gilligan v. Taxation, Div. Director*, 11 N.J. Tax 414 (Tax Ct. 1991).

Gross Income Tax

S Corporation - Gross Income Tax Calculation — The taxpayer stated that it is a New York corporation that only does business in New York. The sole shareholder is a New Jersey resident. It has previously filed "S" elections for both Federal and New York purposes. The taxpayer has taken a Federal jobs credit and a Federal credit for increasing research activities (R & D credit) on its Federal tax return, both of which flow through to the shareholder. Per Federal law, the deductions on which these tax credits are based were reduced in connection with claiming the credits.

On these facts, the following questions were raised. First, in computing the New Jersey S corpo-

ration income of the New Jersey resident shareholder, can the reduction in the Federal salaries and wages deduction for the jobs credit be considered a subtraction for New Jersey purposes?

No. A taxpayer would not be able to take deductions on its New Jersey return for amounts that were not deducted for Federal purposes due to an election by the taxpayer to take a Federal credit in lieu of a deduction. See *AT&T Co. v. Director, Division of Taxation*, 13 N.J. Tax 534 (Tax Ct. 1993).

Second. The taxpayer raised the same issue as in issue one except as it relates to the Research and Development credit. Again the answer is no subtraction for New Jersey purposes for the reason stated in one above.

Third. The taxpayer inquired whether the answers would be the same for issues one and two if the taxpayer did business in New Jersey and filed a New Jersey S corporation tax return.

Yes, the answer would be the same. There is no authority under New Jersey law to decrease New Jersey S corporation income by amounts that are not deducted in calculating Federal taxable income.

Fourth. The taxpayer inquired whether the amounts by which the Federal deduction was reduced would be adjustments to the New Jersey Earnings and Profits, New Jersey Accumulated Adjustments Account, or New Jersey Other Adjustments Account.

Yes, such amounts would appear on line 3, Part IV-B, Schedule K, of CBT-100S as an "other reduction" to the Accumulated Adjustments Account. If this

reduction were not made, the effect would be to give a deduction not authorized by statute or inflate the basis.

Nonqualified Deferred Compensation Plan (Clarification) — The Summer 1995 issue of the *State Tax News* included a Gross Income Tax "Tax Brief" regarding nonqualified deferred compensation plans. The article stated that deferred compensation is not taxable income to an employee until actually received, provided that the plan is nonqualified and unfunded and certain conditions are satisfied.

The article was written specifically about an unfunded, nonqualified deferred compensation plan that was set up for the deferral of bonuses and compensation of highly compensated employees. However, with respect to I.R.C. Section 457 plans, although nonqualified and unfunded, it is the Division's longstanding position that because the employee can control the percentage of income being deferred or can eliminate the deferral entirely, that there is constructive receipt. Consequently, the amounts deferred under an I.R.C. Section 457 plan must be included in gross income.

Sales and Use Tax

Purchase Points For Discount From Price — The Division received an inquiry regarding the sales tax treatment of a program whereby customers of a restaurant can receive and accumulate points based on purchases, which can be redeemed for food at either a reduced price, or for free, depending upon the level of the award. The redemption certificate does not have any independent cash value, and the expense of the award will

continued on page 15

tax briefs - from page 14

be incurred solely by the restaurant. There will be no third party rebates or discounts involved.

The Division responded that based on these facts, the purchase point program would be treated as a vendor coupon. Sales tax is due only on the discounted price of the item.

Crop Dusting — A taxpayer inquired as to the taxability of crop dusting and aerial applications of defoliants, fertilizers and herbicides.

Under N.J.S.A. 54:32B-8.16 chemicals used in crop dusting qualify for an exemption under the Sales and Use Tax Act. However, the farm exemption applies to certain purchases of tangible personal property and not to services. Thus, the charge for the service of crop dusting is subject to sales tax under N.J.S.A. 54:32B-3(b)(4) of the Sales and Use Tax Act.

Cellular Telephones Used For Promotional Purposes — The Division received an inquiry concerning the purchase of cellular telephones which are either resold or given away in exchange for an agreement to subscribe to service with a particular cellular company. The following facts were given for review. Retailer A sells cellular telephones at its store. Such telephones are purchased by Retailer A from a vendor for \$250 per telephone. Company B provides cellular telecommunications services to subscribers in New Jersey. Company B contracts with Retailer A for Retailer A to promote, solicit and obtain requests for the service provided by Company B. To induce customers to purchase Company B's service, Retailer A offers customers the following options

when purchasing a cellular telephone from Retailer A:

Option #1

Purchase only the telephone for \$300, or

Option #2

Purchase the telephone for \$10 and agree to subscribe to Company B's service for a minimum period of one year.

If Option #2 is chosen, Company B will pay Retailer A a \$275 commission per subscriber and \$35 per subscriber to be used by Retailer A for advertising its cellular operations.

Since the retailer is selling the phone for a nominal amount in exchange for the purchaser's agreement to use Company B as a cellular service provider, Retailer A is using the telephones for promotional purposes, i.e. - to earn an advertising fee from Company B and to earn commission income from the sale of a service subscription by Company B. Although Retailer A may purchase the cellular telephones with a Resale Certificate, they must collect sales tax on the \$10.00 charge to the customer, and remit use tax **based on their cost** of purchasing the telephone (\$250) minus the amount recovered by making a nominal charge to the customer (\$10.00). N.J.S.A. 54:32B-24. The activation commission paid to Retailer A is not subject to sales or use tax, nor is the additional payment which is to be used for advertising.

Auto Detailing — The Division replied to an inquiry concerning the taxability of auto detailing services performed for new car dealerships and auto service centers.

The services of installing tangible personal property or printing or imprinting such property including motor vehicles are subject to tax. A new car dealership and auto service center may provide a Resale Certificate (Form ST-3) where such services are purchased for resale by the buyer. Thus, the performance of auto detailing for new car dealerships and auto service centers is exempt from sales tax. □

In Our Courts

Uniform Tax Procedure

Timeliness of Tax Complaint — *Harris Corporation v. Director, Division of Taxation*, No. 005784-93 (Tax Ct., decided August 3, 1995).

At issue was the timeliness of plaintiff's appeal from the denial of its claim for a corporation business tax refund. The Director's letter denying the refund was dated January 22, 1993. Plaintiff's complaint challenging the denial was received by the Tax Court on April 27, 1993, i.e. 95 days after the date on the Director's letter.

The Court determined that under the statutes and regulation in force at the time and the applicable court rules, the 90-day time for an appeal (plus three additional days allowed for mailing) began to run when the Director mailed the letter. The Director, however, took the position that, as a matter of law, the time began to run on the date shown on the letter, and he declined to submit proof of mailing for a hearing. The Court therefore denied the Director's motion to dismiss the complaint for untimely filing.

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in our courts - from page 15

**Local Property Tax
Calculating Rollback Taxes
Under Farmland Assessment Act**
– *Calton Homes, Inc., Plaintiff, v.
Township of West Windsor,
Defendant*, Tax Court of New
Jersey, Docket No. 011369-93,
decided July 24, 1995.

This local property tax case concerned the correct methodology for calculating rollback taxes under the “Farmland Assessment Act of 1964,” N.J.S.A. 54:4-23.1 et seq., as amended. The levying of the tax itself due to a change to nonfarm use was not challenged.

The 143 acres in question were farmland valued at \$58,200 from 1983–1992 and at \$73,300 for 1993. As a result of the land’s residential development in 1993, rollback taxes of \$110,222.21 were assessed that year and for the two previous years, 1992 and 1991, in the amounts of \$94,095.83 and \$88,179.77* respectively. Mercer County Tax Board utilized the 1993 purchase price of \$5,016,000 paid by developer Calton Homes as fair market value for all three tax years and Chapter 123 average ratios of 100%, 41.33% and 42.33%* were applied to obtain the nonfarmland taxable values of \$5,016,000, \$2,073,100 and \$2,123,300*. Because 1993 was a revaluation year where the ratio was 100%, the rollback assessment of \$4,942,700 was not contested by the plaintiff and only the 1991 and 1992 rollback assessments of \$2,065,100 and \$2,014,900 were at issue.

However, the plaintiff’s computations for 1991 and 1992 were based on a fair market value of

\$1,171,816 as recommended by the appraisal firm at the time of a 1983 revaluation, plus an added 10% for entrepreneurial profit gained through 1987 subdivision approvals and resulted in nonfarmland taxable value of \$1,289,000 and rollback assessment of \$1,230,800 for both of the disputed years after deducting farmland value of \$58,200.

Calton asserted that the actual general assessment level for the taxing district in 1991 and 1992 was established eight years earlier during the 1983 revaluation and that a different standard which employed values determined as of October 1, 1990 and 1991 was applied for his rollback assessment. Plaintiff argued that this was contrary to New Jersey’s constitutional “same standard of value” clause for real property assessment, violated equal protection under both State and Federal Constitutions, and that rollback assessment at “full and fair value” didn’t conform with the statutory provisions of N.J.S.A. 54:4-23.8. It was also contended that discrimination relief provided under P.L. 1973, c.123 was not adequate.

In deciding for the defendant, the Tax Court held that there was no conflict between the “same standard of value” requirement of New Jersey’s Constitution and the “full and fair value” requirement of N.J.S.A. 54:4-23, the statute regarding real property assessment. The Constitutional provision calls for equality of treatment and burden; the statute provides the basis on which equality is to be achieved. The Court affirmed that “full and fair value” is the equivalent of “market or true value” as mandated in N.J.S.A. 54:4-2.25. Further noted by the

Court was that statute specifically directs the assessor to establish real property value as of October 1 of the pretax year. The Court revalidated, as well, the formula for rollback assessment cited at N.J.S.A. 54:4-23.8 of the Farmland Assessment Act which provides that rollback assessments are to be based on “full and fair value” using the same standard as other land in the taxing district. The plaintiff’s use of the number of line item adjustments to determine the base year was also rejected by the Court in that it would establish a dual standard of valuation not permitted by the Constitution nor intended by the Legislature. The Court refuted that uniformity of assessment or its maintenance thereafter had been proved for 1983. With respect to Chapter 123 as an acceptable means of discrimination relief, the Court held that while egregious, arbitrary or spot assessments may be outside its scope, the imposition of the rollback assessment was justified.

*Tax Board applied erroneous ratio, values reflected are as corrected by Tax Court. □

In Our Legislature

Corporation Business Tax Allocation Formula — P.L. 1995, c.245 (signed into law on September 11, 1995) requires the receipts factor in the business allocation formula to be double weighted. This legislation is effective for accounting years beginning on or after July 1, 1996.

Tax Rate Decrease — P.L. 1995, c.246 (signed into law on September 11, 1995) reduces the tax rate from 9% to 7.5% for corporations

with annual entire net income of \$100,000 or less. This legislation applies to accounting years beginning on or after July 1, 1996.

New Merger Rules

Three statutes affecting business mergers were signed into law on August 15, 1995. Each act takes effect on the 90th day following the date of enactment.

Limited Liability Companies — P.L. 1995, c.222 provides that limited liability companies may

merge or consolidate with other business entities if authorized by the laws under which those other business entities are organized.

Partnerships — P.L. 1995, c.223 allows partnerships to merge or consolidate with certain other business entities.

Limited Partnerships — P.L. 1995, c.224 allows limited partnerships to merge or consolidate with certain other business entities. □

tax calendar

january

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
		1	2	3	4	5	6
1	7	8	9	10	11	12	13
9	14	15	16	17	18	19	20
9	21	22	23	24	25	26	27
6	28	29	30	31			

January 2

NJ-500 **Gross Income Tax**— Employer's semi-monthly return

January 10

CWIP-1 **Cigarette Tax**—Informational report by wholesalers
CWIP-2 **Cigarette Tax**—Informational report by wholesalers

January 16

CBT-100 **Corporation Business Tax**— Annual return for accounting period ending September 30

January 16 - continued

CBT-150 **Corporation Business Tax**— Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year
NJ-500 **Gross Income Tax**— Employer's semi-monthly return
NJ-1040ES **Gross Income Tax**— Declaration of Estimated Tax, Voucher 4 for calendar year filers

January 22

CR-1 & CNR-1 **Cigarette Tax**—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers
GA-1D **Motor Fuels Tax**—Distributor's monthly report of gallons of fuel sold or used
GA-1J **Motor Fuels Tax**—Jobber's monthly report of gallons of fuel
MFT-10 **Motor Fuels Tax**—Monthly report by seller-user of special fuels for sales and/or use in the previous month
SCC-5 **Spill Compensation and Control Tax**—Monthly return
ST-20 **New Jersey/New York Combined State Sales and Use Tax**—Quarterly return

January 22 - continued

ST-50 **Sales and Use Tax**—Quarterly return
ST-250 **Combined Atlantic City Luxury Tax/State Sales Tax**— Monthly return
ST-350 **Cape May County Tourism Sales Tax**—Monthly return
ST-450 **Sales and Use Tax—Salem County**—Quarterly Return
TP-20 **Tobacco Products Wholesale Sales and Use Tax**— Monthly return
UZ-50 **Combined State Sales Tax/ Urban Enterprise Zone Sales Tax**—Monthly return

January 25

PPT-40 **Petroleum Products Gross Receipts Tax**—Quarterly return

January 31

NJ-500 **Gross Income Tax**— Employer's semi-monthly, monthly, quarterly and semi-annual returns

continued

continued

february

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
1					1	2	3
9	4	5	6	7	8	9	10
9	11	12	13	14	15	16	17
6	18	19	20	21	22	23	24
	25	26	27	28	29		

February 13

- CWIP-1** Cigarette Tax—Informational report by wholesalers
- CWIP-2** Cigarette Tax—Informational report by wholesalers

February 15

- CBT-100** Corporation Business Tax—Annual return for accounting period ending October 31
- CBT-150** Corporation Business Tax—Installment payment of

continued

February 15 - continued

- NJ-500** Gross Income Tax—Employer's semi-monthly and monthly returns

February 20

- CR-1 & CNR-1** Cigarette Tax—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers
- GA-1D** Motor Fuels Tax—Distributor's monthly report of gallons of fuel sold or used
- GA-1J** Motor Fuels Tax—Jobber's monthly report of gallons of fuel
- MFT-10** Motor Fuels Tax—Monthly report by seller-user of special fuels for sales and/or use in the previous month
- SCC-5** Spill Compensation and Control Tax—Monthly return
- ST-21** New Jersey/New York Combined State Sales and Use Tax—Monthly return

continued

February 20 - continued

- ST-51** Sales and Use Tax—Monthly return
- ST-250** Combined Atlantic City Luxury Tax/State Sales Tax—Monthly return
- ST-350** Cape May County Tourism Sales Tax—Monthly return
- ST-451** Sales and Use Tax—Salem County—Monthly Return
- TP-20** Tobacco Products Whole-sale Sales and Use Tax—Monthly return
- UZ-50** Combined State Sales Tax/Urban Enterprise Zone Sales Tax—Monthly return

February 26

- PPT-41** Petroleum Products Gross Receipts Tax—Monthly return

February 29

- NJ-500** Gross Income Tax—Employer's semi-monthly return

march

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
1						1	2
9	3	4	5	6	7	8	9
9	10	11	12	13	14	15	16
6	17	18	19	20	21	22	23
	24	25	26	27	28	29	30

March 11

- CWIP-1** Cigarette Tax—Informational report by wholesalers
- CWIP-2** Cigarette Tax—Informational report by wholesalers

March 15

- CBT-100** Corporation Business Tax—Annual return for accounting period ending November 30

continued

March 15 - continued

- CBT-150** Corporation Business Tax—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year
- NJ-500** Gross Income Tax—Employer's semi-monthly and monthly returns

March 20

- CR-1 & CNR-1** Cigarette Tax—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers
- GA-1D** Motor Fuels Tax—Distributor's monthly report of gallons of fuel sold or used
- GA-1J** Motor Fuels Tax—Jobber's monthly report of gallons of fuel
- MFT-10** Motor Fuels Tax—Monthly report by seller-user of special fuels for sales and/or use in the previous month
- SCC-5** Spill Compensation and Control Tax—Monthly return

continued

March 20 - continued

- ST-21** New Jersey/New York Combined State Sales and Use Tax—Monthly return
- ST-51** Sales and Use Tax—Monthly return
- ST-250** Combined Atlantic City Luxury Tax/State Sales Tax—Monthly return
- ST-350** Cape May County Tourism Sales Tax—Monthly return
- ST-451** Sales and Use Tax—Salem County—Monthly Return
- TP-20** Tobacco Products Whole-sale Sales and Use Tax—Monthly return
- UZ-50** Combined State Sales Tax/Urban Enterprise Zone Sales Tax—Monthly return

March 25

- PPT-41** Petroleum Products Gross Receipts Tax—Monthly return

from the director's desk

New Division Publications Available

To aid taxpayers, three new publications are now available from the Division of Taxation.

- ***S Corporation Q & A***, a comprehensive booklet which provides answers to many commonly asked questions regarding S corporation tax issues. It includes information on both New Jersey Corporation Business Tax and Gross Income Tax.
- **Tax Topic Bulletin GIT-8, *Estimating New Jersey Taxes***, a new publication on individual estimated income tax requirements and underpayment of estimated tax.
- **Tax Topic Bulletin MISC-2, *Information for Senior Citizens***, a new publication which highlights various New Jersey tax information of particular interest to senior citizens.

To request these or any Division publication call our automated service at 800-323-4400 (from Touch-tone phones within New Jersey only) or write to:

New Jersey Division of Taxation
Attention: Taxpayer Forms Service
CN 269
Trenton, New Jersey 08646-0269

Remember to check the Division's NJ TaxFax service by dialing (609) 588-4500 from your fax machine's phone for a list of publications (and forms) available by fax.