

PUBLIC COMMUNITY WATER SYSTEM TAX

INSTRUCTIONS FOR COMPLETING QUARTERLY RETURN (FORM PW-3)

READ INSTRUCTIONS BEFORE COMPLETING RETURN

The Public Community Water System Tax Return is to be used for reporting the tax due on the amount of water delivered to consumers, not including water which was purchased by a consumer for resale.

A. GENERAL

All taxpayers are required to file a quarterly return regardless of the number of gallons of water delivered during each quarter. **The completed return and payment must be received no later than the twentieth (20th) day of the month following the close of the calendar quarter.**

In the space provided, circle the tax period and enter the year, for which the return is being filed.

If the address appearing on the return is incorrect, make the necessary corrections. If there has been a change of address, complete the information on the back of the return.

B. TAX COMPUTATION

LINE 1 - TOTAL GALLONS - The following methods of calculating the amount of water delivered to consumers are based upon standards developed by the Department of Environmental Protection, Division of Water Resources.

1. Metered Systems - Enter the actual gallonage delivered to consumers.
2. Unmetered Systems - Enter one-fourth ($\frac{1}{4}$) of the amount of water purchased and/or diverted for the previous year, less 20% as unaccounted for water.
3. Combination Systems - Based on the percentage of service metered and unmetered, enter the total amount of water, calculated in accordance with methods 1 and 2 above.

On the back of the return, check the box which corresponds to the above method you use to calculate Total Gallons on Line 1 of the return.

LINE 2 - LESS DEDUCTIONS - Enter the total number of gallons purchased by a consumer for resale.

LINE 3 - TAXABLE GALLONS - Subtract Line 2 from Line 1.

LINE 4 - TAX RATE - The amount of tax due is calculated at the rate of \$0.01 per 1,000 gallons of water. (.00001).

LINE 5 - TAX LIABILITY - Enter the amount of Line 3 multiplied by the tax rate (.00001).

LINE 6 - PENALTY & INTEREST - The failure of any taxpayer to file a Public Community Water System Tax Return by the due date and/or failure to make remittance for the tax due by said date will subject the taxpayer to penalty and interest as follows:

a. Penalty Charges:

Late Filing Penalty - 5% per month or fraction thereof of the balance of tax liability due at original return due date not to exceed 25% of such tax liability. Also a penalty of \$100 for each month the return is delinquent may be imposed.

Late Payment Penalty - 5% of the balance of the tax due paid late may be imposed.

b. Interest Charges:

The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month or a 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.

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 in which payment was due or redetermined by the Director in accordance with R.S. 54:48-2.

POSTMARK DATE: All New Jersey returns postmarked on or before the due date of the return are considered to have been filed on time. When a return is postmarked after the due date, the filing date for that return is the date the return was received by the Division, not the postmark date of the return. The completed return and payment is due the twentieth (20th) day of the quarter following the month for which the tax was collected.

Line 7 - TOTAL AMOUNT DUE - Enter the sum of Line 5 and Line 6. Remit this amount with your return. Make check or money order payable to the State of New Jersey PWT. Do not remit cash. All returns must be signed and dated.

C. RECORD RETENTION

All records and other supporting documents which you use in completing your return should be retained and made available for examination on request by the Division of Taxation or its authorized representatives for at least three years following the filing of your return.

D. WHERE TO FILE

Mail your Public Community Water System Tax Return together with your remittance for the full amount due to the State of New Jersey, Division of Taxation, Revenue Processing Center, PO Box 268, Trenton, New Jersey 08646-0268. Use the convenient envelope supplied for mailing your return.

E. INFORMATION

For further information or assistance in completing your return, contact the Division of Taxation, PO Box 266, Trenton, New Jersey 08695-0266 or telephone (609) 633-6845.

For a ruling on a specific question write to the Division of Taxation, PO Box 266, Trenton, New Jersey 08695-0266. Submit your request, outlining the reason for the ruling, together with all details bearing on the question presented.

Many State tax forms and publications are now available, both by tax and through the World Wide Web. Call NJ TaxFax at (609) 826-4500 from your fax machine's phone, or access the Division's home page via your computer's modem at <http://www.state.nj.us/treasury/taxation/>