State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

Dear Taxpayer,

2020 has been a challenging year for all of us both in our personal and professional lives. I want to assure you that the Division has been hard at work in our efforts to help taxpayers overcome any compliance challenges they're facing in these unprecedented times.

Our Administration worked together with stakeholders and the legislature on a series of technical corrections, clarifications, and changes in legislation affecting the Corporation Business Tax Act. This collaboration resulted in legislation that was signed into law on November 4, 2020 (P.L. 2020, c. 118). A list of changes from this law is detailed in TB-97, which I encourage you to review.

As you file your return, look for the "New for 2020" graphic throughout the instructions, which highlights this year's tax changes. I'd also like to take this opportunity to highlight a few items of particular importance.

- **Due Date.** The original due date of the Corporation Business Tax returns is now 30 days after the due date of the federal return. For administrative purposes, the Division will use the 15th day of the month following the federal due date unless that results in a less than 30-day filing window. However, the due dates for estimated payments are unaffected by the law. Taxpayers that are required to make estimated payments must still submit such payments on or before the 15th day of the fourth, sixth, ninth, and 12th months.
- **Copy of Federal Return Mandatory.** Taxpayers must include a copy of their federal return and any pertinent extracts of the federal return as part of a full and complete New Jersey return.
- **Surtax.** The surtax was extended through December 31, 2023, at the rate of 2.5% on all filers with allocated taxable net income over $1 million. As originally enacted, the surtax was scheduled to decrease from 2.5% to 1.5% for privilege periods beginning on or after January 1, 2020, and expire for privilege periods beginning on or after January 1, 2022. There will not be penalties or interest assessed on underpayments resulting from the retroactive application of the increased surtax.
- **Net Operating Losses.** For tax years beginning on and after January 1, 2020, the federal rules and regulations governing consolidated return net operating losses and net operating loss carryovers apply to the New Jersey net operating loss carryover provisions to the extent they are consistent with the provisions of the New Jersey Corporation Business Tax Act. If the New Jersey and federal provisions differ, the New Jersey Corporation Business Tax Act provisions govern. New Jersey generally follows the federal rules governing mergers, acquisitions, reorganizations, spin-offs, split-offs, dissolution, bankruptcy, or any form of cessation of a business. New Jersey also follows any other provision of the federal rules that limits or reduces federal net operating losses and federal net operating loss carryovers.
- **Dividend Exclusion.** The tiered dividend exclusion, previously calculated on Schedule RT, has been replaced with a Tiered Subsidiary Dividend Pyramid Tax Credit.

Lastly, I would like to remind you that the Division is enforcing the 2016 mandate that all corporations must electronically file all their returns. This includes Forms CBT-100, CBT-200-T, and CBT-150. Payments must also be made electronically.

If you have questions about filing your return, please visit our website. I know times are still hard for many of us, but the experiences of this past year give me hope for better times and new opportunities ahead

Sincerely,

John Ficara
Acting Director
Division of Taxation

CBT-100

STATE OF NEW JERSEY

DIVISION OF TAXATION **CORPORATION TAX**

INSTRUCTIONS FOR CORPORATION BUSINESS TAX RETURN
(Form CBT-100 – 2020)

Electronic Filing Mandate
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. Visit *www.state.nj.us/treasury/taxation/payments-notices.shtml* or check with your software provider to see if they support any or all of these filings.

FYI The law mandates the creation of a simplified standardized return. Form CBT-100 will be replaced with the new standardized return for the 2022 Tax Year.

Before You Begin
Read all instructions carefully before completing returns.

NEW FOR 2020 **Include a complete copy of the federal Form 1120 (or any other federal corporate return filed)** and all related forms and schedules. Corporations that are part of a federal consolidated group must include a federal income tax return and the consolidating schedules showing the income statement, balance sheets, and all other supporting information for the taxpayer.

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.

Distortion of Net Income
The Director is authorized to adjust and redetermine 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, see regulation N.J.A.C. 18:7-5.10.

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.

Riders
If space is insufficient, include riders in the same form as the original printed sheets. The riders must be numbered and clearly list the schedule(s) and line(s) of each corresponding rider item.

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.

Corporations Required to File
In general, every corporation existing under the laws of the State of New Jersey is required to file a Corporation Business Tax Return.

In addition, a return must be filed by 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.

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.

Corporations Claiming P.L. 86-272. Foreign corporations that meet the filing requirements and whose income is immune from tax pursuant to Public Law 86-272, must obtain and complete Schedule N, Nexus – Immune Activity Declaration, and all of the schedules from the CBT-100. In addition, taxpayers must include a copy of the Nexus Questionnaire. P.L. 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 5. These corporations must remit the minimum tax with the CBT-100.

Out-of-Business Corporations. 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 tax period.

New Corporations. 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 12 months, even by a day.

S Corporations. 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.

Note: New Jersey S corporations do not file Form CBT-100. These corporations must complete Form CBT-100S (or Form CBT-100U if they elected to be part of a combined group).

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 I.R.C. § 1362. A copy of Form 1120-S as filed must be submitted. Lines 1 through 28 on Part I, Schedule A of the CBT-100 must be completed.

Note: Check the box on page 1 to indicate the corporation is a federal 1120-S filer.

Domestic International Sales Corporations (DISC). A DISC 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.

Combinable Captive Insurance Companies. Combinable captive insurance companies are no longer exempt from the Corporation Business Tax. If the combinable captive insurance company is not included as a member of a combined group filing a New Jersey Corporation Business Tax Unitary Return, Form CBT-100U, they must file a separate New Jersey Corporation Business Tax Return, Form CBT-100.

Note: A regular captive insurance company that does not meet the definition of a *combinable captive insurance company* in N.J.S.A. 54:10A-4(y) is still exempt from the Corporation Business Tax.

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. FSCs 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.

Financial Business Corporations. Corporations that qualify as financial businesses, those that 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.

Note: Qualified Banking Corporations and Financial Business Corporations that do not file Form CBT-100 must complete Form BFC-1. This form is available on the Division's website.

Professional Corporations. Corporations formed under N.J.S.A. 14A:17-1 et seq. or any similar laws of a possession or territory of the U.S., a state, or political subdivision thereof, must complete Schedule PC. Examples of licensed professionals include certified public accountants, architects, optometrists, professional engineers, land surveyors, land planners, chiropractors, physical therapists, registered professional nurses, dentists, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, veterinarians, and attorneys.

Regulated Investment Company. Every taxpayer electing to report as an Investment Company must meet the qualifications detailed in Part II of the Annual General Questionnaire. Regulated Investment Companies only complete page 1, the Annual General Questionnaire, Schedule A, and Schedule A-GR (if applicable). The election is effective only for the particular year covered by the return.

Real Estate Investment Trust. The election is effective only for the particular year covered by the return.

Inactive Corporations. 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, must complete the Certification of Inactivity section on page 1. Payment for the related minimum tax liability and the installment payment (if applicable) must be submitted electronically. See the Page 1 section for more information.

Combined Reporting

New Jersey enacted mandatory combined reporting for unitary businesses for tax years ending on and after July 31, 2019. Groups of companies that have common ownership and are engaged in a unitary business, where at least one member of the group is subject to the New Jersey Corporation Business Tax, are required to calculate their tax liability on a combined basis on Form CBT-100U, Corporation Business Tax Unitary Return.

A member of a combined group filing a New Jersey combined return does not have to file a separate return for the privilege period or portion of the privilege period thereof that the taxpayer was included as a member of the combined return. A combined group member with business operations that are independent of the unitary business activity of the combined group must report such income on Schedule X. Schedule X is submitted with the combined return. The member will not complete a separate return.

Visit the Division's website for information about combined reporting.

Note: A taxpayer that has nexus with New Jersey that is part of a combined group or affiliated group, but excluded from the New Jersey combined return must file a separate return.

Former Member of Combined Group. A taxpayer that was a member of a combined group filing a New Jersey combined return for part of the group privilege period and subsequently departs the combined group to file on a separate entity basis must report the income for months subsequent to departing the combined group on a separate return (Form CBT-100) unless the taxpayer joined a second combined group that files a New Jersey combined return. The taxpayer filing a separate return would not report the income on Form CBT-100 for the months during which the member was part of the combined group. If determining what amount of income is attributable to the portions of the twelve-month period are for the periods before and after departing a combined group, the taxpayer must prorate their income/losses and receipts.

When to File

2020 Accounting Periods and Due Dates

The 2020 Corporation Business Tax return should only be used for accounting periods ending on and after July 31, 2020, through June 30, 2021.

NEW FOR 2020 For privilege periods ending on and after July 31, 2020, the due date for all Corporation Business Tax returns and payments except estimated payments is 30 days after the original due date of the federal corporate income tax return. If the due date falls on a weekend or a legal holiday, the return and payment are due on the following business day. Use the following schedule for 2020 CBT-100 forms and payments:

If accounting period ends on:	July 31, 2020	Aug. 31, 2020	Sept. 30, 2020	Oct. 31, 2020	Nov. 30, 2020	Dec. 31, 2020
Due date for filing is:	Dec. 15, 2020	Jan. 15, 2021	Feb. 15, 2021	Mar. 15, 2021	Apr. 15, 2021	May 15, 2021
If accounting period ends on:	Jan. 31, 2021	Feb. 28, 2021	Mar. 31, 2021	Apr. 30, 2021	May 31, 2021	June 30, 2021
Due date for filing is:	June 15, 2021	July 15, 2021	Aug. 15, 2021	Sept. 15, 2021	Oct. 15, 2021	Nov. 15, 2021

Note: The start of the 2020 filing season was delayed due to changes to the Corporation Business Tax statutes. Information on affected due dates is available on the Division of Taxation's website.

Calendar or fiscal accounting year is the same accounting period that 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 8/31/20 may be filed on a 2019 federal Form 1120; the same tax year must be filed on a 2020 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. Returns for prior tax years are available on the Division's website.

Extension of Time to File

The Tentative Return and Application for Extension of Time to File, Form CBT-200-T, must be filed and paid electronically. You can also check with your software provider to see if the software you use supports filing of extensions.

Corporations will automatically receive a six-month extension only if they have paid at least 90% of the tax liability and timely filed Form CBT-200-T.

An extension of time is granted only to file your New Jersey Corporation Business Tax return. There is no extension of time to pay the tax due. The Division will notify you only if we deny your extension request, but not until after you actually file your return. Penalties and interest are imposed whenever tax is paid after the original due date.

Note: An extension payment must include any applicable professional corporation (PC) fees and/or installment payments. See the online application for more information.

Payment of Tax

The balance of tax due must be paid in full by the original due date of the return.

In addition, corporations 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.

- **If the 2020 total tax liability is greater than $500,** the taxpayer must make installment payments towards 2021. 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.
- **If the 2020 total tax liability is $500 or less,** installment payments may be made as indicated above **OR** in lieu of making installment payments, the taxpayer may make a payment of 50% of the 2020 total tax liability.

How to Pay

To make payments electronically, go to the Division of Taxation's website. Taxpayers who do not have access to the internet can call the Division's Customer Service Center at (609) 292-6400.

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.

Penalties and Interest

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 part of a month not to exceed 25% of the amount of underpayment from the original due date to the date of actual payment.

Late Filing Penalty. 5% per month or part of a month 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 will accrue at 5% per month or part of a month 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. 3% above the average predominant prime rate for every month or part of a month the tax is unpaid, compounded annually. 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.

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.

Collection Fees. In addition, if the tax bill is sent to our collection agency, a referral cost recovery fee of 10.7% of any tax, penalty and interest due will be added to the liability in accordance with N.J.S.A. 54:49-12.3. If a certificate of debt is issued for the outstanding liability, a fee for the cost of collection of the tax may also be imposed.

Underpayment of Estimated Tax. To calculate the amount of interest for the underpayment of estimated tax, complete either Form CBT-160-A or Form CBT-160-B. 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 submitted with the return as evidence of such exception.

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.

Transacting 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).

Amended Returns

To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year.

For returns ending prior to July 31, 2019, amended returns cannot be submitted electronically. For more information, see the return instructions for the tax year that is being amended.

Beginning with returns for tax year 2019 and after, taxpayers must submit amended returns electronically.

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 90 days.

Page 1 Line-by-Line Instructions

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.

Check the appropriate box to indicate whether this is the initial return or an amended return.

Provide the remaining information requested on the top portion of the return. The federal business activity code should be taken from the taxpayer's federal tax return. Provide the location of the corporate books as well as a contact person and phone number. If the corporation is a professional corporation, investment company, regulated investment company, real estate investment trust, or federal 1120-S filer, check the appropriate box. See the Corporations Required to File section for information on the types of corporations.

All corporations must complete page 1, the Annual General Questionnaire, and Schedules A (Parts I, II, and III), A-2, A-3, A-4, and A-GR of the return.

Line 1 – Tax Base
Enter amount from line 4 of Schedule A, Part III.

Line 2 – Amount of Tax
Multiply line 1 by the applicable tax rate:

- **If line 1 is greater than $100,000,** the tax rate is 9% (.09).
- **If line 1 is greater than $50,000 and less than or equal to $100,000,** the tax rate is 7.5% (.075). Tax periods of less than 12 months qualify for the 7.5% rate if the prorated taxable net income does not exceed $8,333 per month.
- **If line 1 is $50,000 or less,** the tax rate is 6.5% (.065). Tax periods of less than 12 months qualify for the 6.5% rate if the prorated taxable net income does not exceed $4,166 per month.

Line 3 – Tax Credits
Enter the amount from Schedule A-3, Part I, line 28. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

Line 4 – CBT Tax Liability
Subtract line 3 from line 2. If this amount is less than $2,000, see Schedule A-GR instructions to determine if there is a minimum tax liability.

Line 5a – 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. 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.

Multiply the amount on Schedule A, Part III, line 2a, 2b, or 2c (whichever is applicable) by the surtax rate. The rate is 2.5% for tax years beginning on or after January 1, 2018, through December 31, 2023.

NEW FOR 2020 **Line 5b – Pass-Through Business Alternative Income Tax Credit Applied to Surtax**
Enter the amount from Form 329. Do not enter more than the amount of surtax on line 5a. Include Form 329 with the return. See Form 329 instructions for more information.

Line 5c – Balance of Surtax
Subtract line 5b from line 5a and enter the result.

Line 6 – Tax Due
Add the balance of surtax on line 5c to the greater of line 4 or minimum tax due from Schedule A-GR.

Note: If taxpayer is using a tax credit that can be applied to 100% of the tax liability, add the surtax (if applicable) to any remaining liability not exhausted on the credit form and enter the amount on line 6.

Line 7 – Installment Payment
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.

- **If the 2020 Total Tax Liability is greater than $500,** the taxpayer must make installment payments toward 2021. 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. Information on making these payments can be found on the Division's website.

- **If the 2020 Total Tax Liability is $500 or less,** installment payments may be made as indicated above **OR** in lieu of making installment payments, the taxpayer may make a payment of 50% of the 2020 total tax liability. For taxpayers who qualify and want to take advantage of this option, enter on line 7, 50% of the amount on line 6. This will become part of the payment to be made with the 2020 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2021 return.

Line 8 – Professional Corporation Fees
Enter amount from Schedule PC, line 7.

Note: Check the box on page 1 to indicate the corporation is a professional corporation.

See Schedule PC instructions for information about filing requirements and examples of professional corporations.

Line 9 – Total Tax and Professional Corporation Fees
Enter the total of lines 6, 7, and 8.

Line 10a – Payments and Credits
Include on this line:

- Installment tax payments made for 2020;
- Amounts paid with tentative return (form CBT-200-T);
- 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.

Note: Professional corporation installment payments from the prior year may not be used to offset any current year tax liability and are **not** eligible for refund.

Line 10b – Payments made by Partnerships
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 NJK-1s or K-1s (as applicable) reflecting payments made by each partnership entity.

Line 10c – Refundable Tax Credits
Enter the amount from Schedule A-3, Part II, line 5. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

Amount Due or Overpayment – Lines 11–17
Compare lines 10d and 9.

- If line 10d is less than line 9, you have a balance due. Complete lines 11, 12, and 13.
- If line 10d is more than line 9, you have an overpayment. Complete line 12 (if applicable) and lines 14 through 17.

Line 11 – Balance of Tax Due
Subtract line 10d from line 9 and enter the difference.

Line 12 – Penalty and Interest Due
Include any penalties and interest. See the Penalties and Interest section for information.

Note: If the taxpayer has an overpayment or no tax liability and has calculated penalties and interest due, such amounts must be added to the balance due line or subtracted from the overpayment.

Line 13 – Total Balance Due
Enter the total of line 11 and line 12.

Line 14 – Amount Overpaid
Subtract the sum of line 9 and line 12 (if applicable) from the amount on line 10d.

Line 15 – Refund
Enter the amount of your overpayment that you want refunded.

Line 16 – Credit to 2021
Enter the amount of your overpayment that you want to credit to your 2021 tax liability.

Line 17 – Credit to a Combined Group
Enter the amount of your overpayment that you want to credit to a combined group. Also include the unitary ID number and tax return year to which it is to be applied.

Note: An overpayment of tax by a corporation can only be credited to a combined group of which the corporation is a member.

Certification of Inactivity
Inactive corporations must complete page 1, the Annual General Questionnaire, and Schedules A (Parts I, II, and III), A-2, A-3, A-4, and A-GR of the CBT-100. A corporate officer must sign and certify that the corporation did not conduct any business, did not have any income, receipts, or expenses, and did not own any assets during the entire period covered by the tax return.

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.

Annual General Questionnaire

Part I

All taxpayers must answer all questions on this schedule. If necessary, include a rider detailing the information requested in the questions.

Part II

Regulated investment companies must answer all questions in Part II. If the taxpayer does not meet all the requirements, it cannot file as a regulated investment company.

Note: Check the box on page 1 to indicate the corporation is a regulated investment company.

Schedule A

Every taxpayer must complete this schedule.

Part I – Computation of Entire Net Income

Lines 4b and 4c – FDII and GILTI

For tax years beginning on and after January 1, 2018, the **gross** I.R.C. § 951A and the **gross** I.R.C. § 250(b) amounts included in income for federal purposes must be included for New Jersey purposes. Enter the gross I.R.C. § 951A (GILTI) and/or the gross I.R.C. § 250(b) (FDII) amounts. Include a copy of federal Forms 8993 and 8992 that were completed and submitted with federal Form 1120. **Do not enter the net numbers.** The I.R.C. § 250(a) deductions are taken in Schedule A, Part II since the I.R.C. § 250(a) deductions permitted by N.J.S.A. 54:10A-4.15 are special deductions taken below line 28 for federal purposes.

> **FYI** To avoid double reporting the income on Schedule A, Part I, taxpayers must reduce the amounts reported on any other lines by the amount of the FDII and GILTI included on lines 4b and 4c.

Current year I.R.C. § 951A and I.R.C. § 250(b) amounts are not dividends nor are they deemed dividends; they are their own category of income. FDII and GILTI are included on different lines for federal and New Jersey purposes. However**,** the amount on **line 28 must agree with the federal taxable income before federal net operating losses and federal special deductions line** (line 28, page 1, of the taxpayer's unconsolidated federal Form 1120 or the appropriate line from any other federal corporate return filed).

Note: There is an equivalent deduction allowable for New Jersey purposes in the amount of the deduction allowable and taken for federal purposes 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, Part II, lines 14a and 14b.

Line 8 and Line 9

Include 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 I.R.C. § 179 expense deduction was passed through to S corporation shareholders are not reported on federal Form 4797, and should be reported on Schedule A, Part I, line 10. 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.

Line 28 – Taxable income before federal net operating loss deductions and federal special deductions

The amount on line 28 must agree with line 28, page 1, of the taxpayer's unconsolidated federal Form 1120 or the appropriate line from any other federal corporate return filed.

If the corporation has not filed a separate federal income tax return, taxpayer must explain and reconcile the differences on a rider.

> **FYI** Taxpayers must include a copy of the federal return and any forms or schedules that accompanied the return that was filed with the Internal Revenue Service. Failure to include the forms and schedules will result in an incomplete New Jersey Corporation Business Tax return and the taxpayer may be assessed penalties and interest for noncompliance.

Part II – Modifications to Entire Net Income Additions

Line 1 – Taxable income/(loss)

Enter the amount from Schedule A, Part I, line 28.

Line 3 – Other federally exempt income

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 3 and include a rider detailing such amounts and such provisions of the Internal Revenue Code.

Line 4 – Interest on federal, state, municipal, and other obligations

Include any interest income that was not taxable for federal income tax purposes and was not included in taxable net income reported on line 1.

Line 5 – New Jersey State and other states taxes

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 Part I of Schedule A and reflected in line 28. For additional information see Technical Bulletin TB-80, *Addback of Other States' Taxes,* and the Schedule H instructions

Line 6 – Related party interest addback

Enter the total amount of interest deducted on Schedule A that was paid to related members and reported on Schedule G, Part I. See Schedule G instructions for more information.

Line 7 – Related party intangible expenses and costs addback

Enter the total amount of intangible expenses and costs deducted on Schedule A that was paid to related members and reported on Schedule G, Part II. See Schedule G instructions for more information.

Line 9 – Depreciation modification being added to income
Enter the depreciation and other adjustments being added to income. See Schedule S instructions for more information.

Line 10 – Other additions
Report any other additions to income for which a place has not been provided somewhere else on the return. This includes, but is not limited to:

- I.R.C. § 199A amounts that were deducted for federal purposes;
- 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 I.R.C. § 41.

Include separate riders explaining any items reported.

Line 11 – Taxable income/(loss) with additions
Add line 1 through line 10 and enter the total.

Deductions

Line 12 – Depreciation modification being subtracted from income
Enter the depreciation and other adjustments being subtracted from income. See Schedule S instructions for more information.

Line 13 – Previously Taxed Dividends
If line 1 includes any dividends that were previously taxed for New Jersey purposes, complete Schedule PT and Schedule R to determine the amount that can be deducted. Include only dividends that were taxed in a prior tax year by New Jersey. Do not include any federal previously taxed income that was not taxed by New Jersey. Schedule PT is available on the Division's website.

Lines 14a and 14b – I.R.C. § 250(a) deduction
If line 1 includes GILTI and/or FDII amounts, enter the amount of the deduction allowable and taken for federal purposes under I.R.C. § 250(a) on the appropriate line. Include a copy of federal Form 8992 and/or 8993.

Line 14c – Net GILTI previously taxed by New Jersey
Enter the amount of net GILTI previously taxed by New Jersey not deducted or excluded elsewhere on the return. Attach a rider detailing the amount of GILTI that was previously taxed and the years in which the tax was paid.

Line 15 – I.R.C. § 78 Gross-up
The portion of any I.R.C. § 78 gross-up included in dividend income on line 4 of Schedule A, Part I, that is not excluded/deducted from taxable net income elsewhere, may be deducted on this line. Include a copy of federal foreign tax credit, Form 1118.

Note: I.R.C. § 78 gross-up amounts cannot be included in the dividend exclusion calculation on Schedule R or Form 332, which is the form used to calculate the Tiered Subsidiary Dividend Pyramid Tax Credit. In addition, if any portion of the Section 78 amount is included in the taxpayer's Section 250 deduction, the amount being deducted on line 15 must be reduced accordingly.

Line 17a – Nonoperational Activity
Enter the net effect of the elimination of nonoperational activity from Schedule O, Part I, line 36. Schedule O is available on the Division's website.

Line 17b – Nonunitary Partnership Income
Enter the net effect of the elimination of nonunitary partnership income and expenses from Schedule P-1, Part II, line 4.

Line 18 – Other deductions
Report any other deduction adjustments for which a place has not been provided somewhere else on the return. The taxpayer must include a rider detailing the information.

Line 19 – Total Deductions
Add line 12 through line 18 and enter the total.

Line 20 – Entire Net Income/(Loss) Subtotal
Subtract line 19 from line 11 and enter the total.

Line 21 – Allocation Factor from Schedule J
Enter allocation factor from Schedule J. If all receipts were derived from only New Jersey sources, enter 1.000000. See Schedule J instructions for more information.

Line 22 – Allocated entire net income/(loss) before net operating loss deductions and dividend exclusion
Multiply line 20 by line 21 and enter the result.

- **If the amount is zero or less,** this is the taxpayer's current year net operating loss that can be carried forward as a post-allocation net operating loss (NOL) deduction to a succeeding tax period pursuant to N.J.S.A. 54:10A-4(v).
- **If the amount is a positive number,** the taxpayer must first use any unused unexpired prior net operating loss conversion carryovers pursuant to N.J.S.A. 54:10A-4(u). This deduction occurs on Schedule A, Part II, line 23. If the taxpayer does not have any unused unexpired prior net operating loss conversion carryovers, enter zero.

Note: 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. Post-allocation net operating losses expire 20 privilege periods after the loss was originally generated. Information on the net operating losses must be detailed on Form 500.

FYI

Net operating losses/net operating loss carryovers now occur on a post-allocation basis. If the taxpayer has net operating losses from before July 31, 2019, those unused unexpired pre-allocation net operating loss carryovers must be converted to prior net operating loss conversion carryovers using the allocation factor from the taxpayer's last tax year prior to the change to post-allocation net operating losses. For more information, see Technical Bulletin, TB-94, *General Information on the New Net Operating Loss Regime for Tax Years Ending on and After July 31, 2019.*

Line 23 – Prior year net operating loss (PNOL) deduction
Any unused and unexpired net operating loss carryovers that were calculated on a pre-allocation basis (net operation losses from tax years ending prior to July 31, 2019) must be converted to an allocated prior net operating loss conversion carryover (PNOL) before they can be used.

To calculate a PNOL conversion carryover, a taxpayer must first calculate its pre-allocated net operating losses for each preceding privilege period, then multiply those amounts by its allocation factor from the last privilege period ending prior to July 31, 2019. Use Worksheet 500-P (Prior Net Operating Loss Conversion Worksheet) to calculate the conversion. See Form 500 instructions for more information.

Note: PNOLs expire 20 privilege periods after the loss was originally generated.

Line 24 – Allocated entire net income before post allocation net operating loss deduction
Subtract line 23 from line 22 and enter the result.

- **If the amount is zero or less,** skip lines 25 through 28 and enter zero on line 29.
- **If the amount is a positive number,** continue to line 25.

Line 25 – Post-allocation net operating loss (NOL) deduction
Taxpayers with net operating losses generated in tax years ending on and after July 31, 2019, can use such losses as a post-allocation net operating loss deduction. A post allocation net operating loss can be carried forward for 20 privilege periods. The post allocation net operating loss deduction is subtracted from allocated entire net income after the taxpayer uses all of its PNOLs if the taxpayer still has allocated entire net income after the PNOL subtraction. See Form 500 instructions for more information.

Note: A taxable member that leaves a New Jersey combined group may take their share of the combined group post-allocation net operating loss carryover when leaving the combined group. In subsequent privilege periods, if such a taxable member leaves the New Jersey combined group and files a New Jersey separate return, the taxpayer may use their share of the combined group post-allocation net operating loss carryover deduction that the taxpayer took with them when the taxpayer left the New Jersey combined group and deduct said post-allocation net operating loss carryover deduction on Schedule A, Part II, line 25.

Line 26 – Allocated entire net income before allocated dividend exclusion
Subtract line 25 from line 24 and enter the result. If the amount is zero or less, enter zero here and on line 29.

Line 27 – Allocated Dividend Exclusion
Enter the amount from Schedule R, line 13. See Schedule R instructions for more information.

Note: The amount of the dividend exclusion allowed to be taken as a deduction is limited to the amount of income reported on line 26 for the tax year.

Pursuant to N.J.S.A. 54:10A-4(k)(5), N.J.S.A. 54:10A-4(u), N.J.S.A. 54:10A-4(v), and N.J.S.A. 54:10A-4(w), the dividend exclusion is now an allocated exclusion.

Line 29 – Taxable net income
Subtract line 27 from line 26 and enter the result.

Part III – Computation of New Jersey Tax Base

Line 1 – Taxable net income
Enter the amount from Schedule A, Part II, line 29. Most taxpayers will also enter this amount on line 2c. Investment companies and real estate investment trusts must follow the instructions on line 2a or line 2b, respectively.

Line 2a – Investment Company
Qualified investment companies enter 40% of line 1. See the Corporations Required to File section for information about investment companies.

Note: Check the box on page 1 to indicate the corporation is an investment company.

Line 2b – Real Estate Investment Trust
Qualified real estate investment trusts enter 4% of line 1. See the Corporations Required to File section for information about real estate investment trusts.

Note: Check the box on page 1 to indicate the corporation is a real estate investment trust.

Line 2c – All Others
Enter the amount from line 1 if the taxpayer is not filing as either an investment company or a real estate investment trust.

Line 3a – New Jersey Nonoperational Income
Enter the amount from Schedule O, Part III. See Schedule O for more information. This schedule is available on the Division's website.

Note: Taxpayers cannot net nonoperational losses against operational income.

Line 3b – Nonunitary Partnership Income
Enter the amount from Schedule P-1, Part II, line 5. See Schedule P-1 instructions for more information.

Note: Taxpayers cannot net nonunitary partnership losses against operational income.

Line 4 – Tax Base
Add lines 3a and 3b to line 2a, 2b, or 2c, whichever is applicable.

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 Form 1125-A of the federal return, whichever is applicable.

Schedule A-3

Summary of Tax Credits

This schedule must be completed if any tax credits are being claimed for the current tax period. Any tax credit(s) claimed on this schedule must be documented with a valid New Jersey Corporation Business Tax Credit Form and must be included with the tax return. See the Additional Forms and Instructions section for a list of available credit forms and for instructions on obtaining them. If the taxpayer is claiming a valid tax credit that is allowable in accordance with the New Jersey Corporation Business Tax Act for which a place has not been provided somewhere else on the schedule, report the amount on line 27 of Schedule A-3.

Part I – Tax Credits Used Against Liability
The total on line 28 must equal the amount reported on page 1, line 3. Amounts to be entered are calculated on the credit forms. See the specific New Jersey Corporation Business Tax Credit Form for information about each credit.

Note: Most tax credits cannot reduce the tax liability below the minimum tax. However, there are rare instances where it can. Follow the instructions on the credit form regarding how and where to record the information to ensure the credit is properly offsetting the tax liability.

Part II – Refundable Tax Credits
If the credit form calculates an amount to be refunded, enter the refundable portion on the appropriate line. The total on line 5 must equal the amount reported on page 1, line 10c.

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).

Schedule A-GR

Computation of New Jersey Gross Receipts and Minimum Tax

If the amount reported on page 1, line 4 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 6.

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 filing a separate return and is a member of an affiliated or controlled group (as per I.R.C. § 1504 or § 1563) that has a total payroll of $5,000,000 or more for the tax year, the minimum tax is $2,000 regardless of the amount of the taxpayer's New Jersey gross receipts. In such instances, Schedule A-GR need not be completed. 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.

The minimum tax cannot be prorated. In general, zero (0) returns are not permitted.

Schedule B

Balance Sheet

Every taxpayer must either complete this schedule **or** submit a copy of the Schedule L that was filed with their federal return. The amounts reported must be the same as the year-end figures shown on the taxpayer's books. Where applicable, data must match amounts reported on Schedule L of the federal return. If not, explain and reconcile on rider. Consolidated information is not permitted on separate returns. If the taxpayer is included in a consolidated federal income tax return, this schedule must be completed by the taxpayer on its own separate basis.

Schedule C and Schedule C-1

Reconciliation of Income per Books with Income per Return AND Analysis of Unappropriated Retained Earnings per Books

Every corporation must either complete these schedules **or** submit copies of Schedules M-1, M-2, and M-3 from their unconsolidated federal Form 1120. The copies must be legible and each page must include the taxpayer's name and tax identification number.

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

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 included with the taxpayer's New Jersey CBT-100 return. If the taxpayer is part of a consolidated filing, but is filing a separate return in New Jersey, then the federal Schedule M-3 must be on a separate entity basis.

Schedule F

General Information and Compensation

All applicable information should be provided for each corporate officer regardless of whether compensation was received. The date reported on Schedule F must match what is reported on federal Form 1125-E.

Schedule G

Interest

If the taxpayer is claiming an exception to the disallowance of the expense reported in Part I or Part II of Schedule G, the taxpayer must complete and include Schedule G-2. Schedule G-2 is available on the Division's website.

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 I.R.C. § 1563, (3) a person to or from whom there is attribution of stock ownership in accordance with subsection (e) of I.R.C. § 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 I.R.C. § 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 I.R.C. § 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 I.R.C. § 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 I.R.C. § 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.

Part I – Interest
Interest paid, accrued, or incurred to related members that was deducted in computing taxable net income on line 28, Part I, Schedule A, must be reported on Schedule G, Part I. If the taxpayer is claiming an exception to the disallowance, complete and include Schedule G-2, and include the appropriate amount on Schedule G, Part I, line b. Schedule G-2 is available on the Division's website.

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 of 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, Part I, Schedule A, must be reported on Schedule G, Part II. If the taxpayer is claiming an exception to the disallowance, complete and include Schedule G-2, and include the appropriate amount on Schedule G, Part II, line b. Schedule G-2 is available on the Division's website.

Schedule H
Taxes
Itemize all taxes that were in any way deducted in arriving at taxable net income, whether reflected in Schedule A, Part I at line 2 (Cost of goods sold and/or operations), line 17 (Taxes), line 26 (Other deductions) or anywhere else on Schedule A.

Schedule J
Computation of Allocation Factor
If taxpayer does not have receipts outside New Jersey, the allocation factor will be 100% (1.000000) and there is no need to complete this schedule. All other taxpayers must complete this schedule to calculate the allocation factor.

Only activities related to operational activity are to be used in computing the general allocation factors. If the taxpayer has nonoperational activity, see Schedule O. If the taxpayer has nonunitary partnership income, see Schedule P-1.

Lines 1a–1e – Receipts Fraction
Receipts from sales of tangible personal property are allocated to New Jersey if 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 if the benefit of the service is received in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents, copyrights, and trademarks; all other business receipts earned in New Jersey.

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.

For tax years ending on and after July 31, 2019, services are sourced based on market sourcing not cost of performance.

Note: The amount of dividends (deemed and/or paid dividends) excluded from entire net income pursuant to N.J.S.A. 54:10A-4(k)(5), are not included in the numerator or denominator of the receipts fraction. However, the dividend (deemed and/or paid dividends) values that are not excluded **are** included in the numerator or denominator.

> **FYI** Schedule J must be completed ***after*** calculating the DIVIDEND EXCLUSION line on Schedule R but ***before*** calculating the line for the ALLOCATED DIVIDEND EXCLUSION. The amount from the DIVIDEND EXCLUSION line from Schedule R is the amount to use when calculating the dividends and deemed dividends excluded from the numerator and/or denominator for the purposes of completing Schedule J.

GILTI and FDII: Include the GILTI and the receipts attributable to the FDII, net of the respective allowable IRC §250(a) deductions, in the allocation factor. The net amount of GILTI (i.e., the GILTI reduced by the I.R.C. § 250(a) GILTI deduction) and the net FDII (i.e., the receipts attributable to the FDII reduced by the I.R.C. § 250(a) FDII deduction) amounts are included in the numerator (if applicable) and the denominator. Do not include the underlying receipts of the controlled foreign corporation generating the GILTI in the numerator or denominator. See Technical Bulletin, TB-92(R), *Sourcing IRC § 951A (GILTI) and IRC §250 (FDII),* for more information.

Line 1h – Single Sales Fraction
Divide line 1f (New Jersey based receipts) by line 1g (Total Receipts everywhere) and enter the result. When computing the allocation factor in Schedule J, division must be carried to six (6) decimal places, e.g. 0.123456.

Schedule P-1

Partnership Investment Analysis

Part I – Partnership Information
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 10b. Include a copy of Schedule NJK-1 from Form NJ-1065. Any one member limited liability company must be included on this schedule.

Part II – Separate Accounting of Nonunitary Partnership Income
Taxpayers that use a Separate Tax Accounting Method on nonunitary partnership investments must complete Part II to compute the appropriate amount of tax. Pursuant to N.J.S.A. 54:10A-6, taxpayers must enter a single sales factor allocation in column 3. Do not use three factor allocation (property, payroll, and sales) from the partnership return (Form NJ-1065).

Schedule PC

Per Capita Licensed Professional Fee

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 U.S., a state, or political subdivision thereof, are liable for a fee on licensed professionals.

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, veterinarians and, subject to the Rules of the Supreme Court, attorneys at law.

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.

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.

Check the box on page 1 to indicate the corporation is a professional corporation.

Part II, line 4 – Installment Payment: A 50% prepayment towards the subsequent year's fee is required with the current year's return.

Part II, line 8 – Credit: Amount to be credited towards next year's fee. **This fee is not eligible for refund.**

Schedule P

Subsidiary Investment Analysis

Itemize the investment in each subsidiary company in which the taxpayer holds 80% or more of the 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. For each subsidiary, report the name, 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 that is included in gross income on Schedule A. Do not include advances or other receivables due to subsidiaries in the book value reported at column 3. Federal previously taxed dividends must be included. However, dividends that have been previously taxed by New Jersey are not included on Schedule P, but must be reported on Schedule PT. In addition, do not include the following:

- Money market fund or REIT income;
- GILTI or FDII (this is not considered income from dividends or deemed dividends for New Jersey Corporation Business Tax purposes); or
- The portion of I.R.C. § 78 gross-up deducted on Schedule A, Part II, line 15.

New Jersey follows the federal ownership attribution rule changes under I.R.C. § 958(b) and I.R.C. § 318 that broadened the federal attribution rules that were retroactive to January 1, 2017, in addition to the already broad Corporation Business Tax attribution rules.

Part I is for reporting information from domestic subsidiaries. Part II is for reporting information on foreign subsidiaries.

Schedule R

Dividend Exclusion

For privilege periods ending on and after July 31, 2019, the dividend exclusion is a post-allocation exclusion.

Dividends from all sources must be included in Schedule A. However, 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.

Taxpayers cannot include the following as part of the dividend exclusion:

- Money market fund or REIT income;
- GILTI or FDII (as this is not considered income from dividends or deemed dividends for New Jersey Corporation Business Tax purposes); or
- The portion of I.R.C. § 78 gross-up deducted on line 15, Part II, Schedule A.

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 is 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.

If the taxpayer received tiered dividends from a tiered subsidiary that filed and paid tax in excess of the minimum tax to New Jersey on those same dividends, do not include these dividends on Schedule R.

NEW FOR 2020 The tiered dividend exclusion has been phased out and replaced with the Tiered Subsidiary Dividend Pyramid Tax Credit on Form 332. The tiered dividends from certain subsidiaries may be eligible for a tax credit, which is calculated separately on Form 332. See Form 332 for more information. This form is available on the Division's website.

> FYI New Jersey follows the federal ownership attribution rule changes under I.R.C. §958(b) and I.R.C. §318 that broadened the federal attribution rules that were retroactive to January 1, 2017, in addition to the already broad Corporation Business Tax attribution rules.

A 95% dividend exclusion will be granted for dividends that are included in entire net income from an 80% or greater owned subsidiary. If the taxpayer owns 50%, but less than 80% of a subsidiary, they are entitled to a 50% exclusion. Any subsidiary that is owned less than 50% is not entitled to a dividend exclusion. See N.J.S.A. 54:10A-4(k)(5), N.J.S.A. 54:10A-4(u), N.J.S.A. 54:10A-4(v), and N.J.S.A. 54:10A-4(w) for more information.

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 conjunction with Schedule R. See Schedule PT for more information. This schedule is available on the Division's website.

Schedule S

All taxpayers must complete this schedule and must include a copy of a completed federal Depreciation Schedule, Form 4562. Schedule S provides for adjustments to depreciation and certain safe harbor leasing transactions. Gas, electric and gas, and electric utilities must also complete Schedule S, Part II, for property placed in service prior to January 1, 1998.

Part I – Depreciation and Safe Harbor Leasing

> FYI New Jersey has decoupled from I.R.C. §168(k) bonus depreciation and I.R.C. § 179 expensing provisions. See N.J.S.A. 54:10A-4(k)(12) and N.J.S.A. 54:10A-4(k)(13). Adjustments must be made accordingly.

Line 1 through Line 6 – These lines detail the depreciation deduction reflected in the Computation of Entire Net Income (Schedule A, Part I) into several categories. In most circumstances, the information can be found on federal Form 4562.

Line 13 – New Jersey conforms to I.R.C. § 179 as in effect on December 31, 2002, and the maximum amount that may be expensed is $25,000. See N.J.S.A. 54:10A-4(k)(13) for more information.

Line 16 and Line 17 – New Jersey has 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.

Line 18 – Deduct any income included in the return with respect to property solely as a result of an IRC § 168(f)(8) election.

Line 19 – Deduct any depreciation amount that would have been allowable under the Internal Revenue Code on December 31, 1980, had there been no safe harbor lease election.

Line 20 – 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 lines 9, 10, 11, 13, or 14 over related depreciation claimed on that property at lines 16, 17, or 21. A statutory merger or consolidation shall not constitute a disposal of recovery property.

Part II – New Jersey Depreciation for Gas, Electric, and Gas and Electric Public Utilities

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.

Note: Gas, electric and gas, and electric utilities may have adjustments from both Part I and Part II. If the taxpayer has amounts reported on Schedule S Part II, lines 1 through 5, enter the amount from Schedule S, Part I, line 23 onto Schedule S, Part II, line 6b, not Schedule A, Part II, line 9 or line 12.

Form 500

Post Allocation Net Operating Loss (NOL) and Prior Net Operating Loss Conversion Carryover (PNOL) Deductions

Post Allocation Net Operating Loss (NOL) are losses that were generated in tax years ending on or after July 31, 2019. These losses occur on a post-allocation basis.

The Prior Net Operating Losses (PNOL) are losses that were generated in tax years ending **prior** to July 31, 2019. In order to use these losses, the unused unexpired amounts must be converted to a post-allocation basis. This conversion is done on Worksheet 500P.

FYI PNOLs must be deducted from allocated entire net income before any NOLs can be deducted.

For New Jersey Corporation Business Tax purposes, net operating losses and net operating loss carryovers have a 20-year carryover period and can only be carried forward. **No carrybacks are allowed.** PNOLs can only be carried forward for the 20 privilege periods following the period of the initial loss.

NEW FOR 2020 For tax years beginning on and after January 1, 2020, the federal rules and regulations governing consolidated return net operating losses and net operating loss carryovers apply to the New Jersey net operating loss carryover provisions to the extent they are consistent with the provisions of the New Jersey Corporation Business Tax Act. If the New Jersey and federal provisions differ, the New Jersey Corporation Business Tax Act provisions govern. New Jersey generally follows the federal rules governing mergers, acquisitions, reorganizations, spin-offs, split-offs, dissolution, bankruptcy, or any form of cessation of a business. New Jersey also follows any other provision of the federal rules that limits or reduces federal net operating losses and federal net operating loss carryovers.

Section A – Computation of Prior Net Operating Losses (PNOL) Deduction

Only complete this section if the Allocated Entire Net Income/(Loss) before net operating loss deductions and dividend exclusion on Schedule A, Part II, line 22 is positive.

Line 1 – Enter the total amount reported in Worksheet 500-P, Part II, column 3.

Line 2 – Enter the amount of PNOL reported on line 1 that was deducted in a previous year.

Line 3 – Enter the amount of PNOL that has expired.

Line 4 – Enter the amount excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108). If the amount is greater than the PNOL reported on line 1 (less lines 2 and 3), carry the remainder to Section B, line 5.

Line 5 – Subtract the amounts reported on lines 2 through 4 from the amount on line 1. This is the total amount of PNOL available for deduction in the current year. If the amount is less than zero, enter zero.

Line 6 – Enter the amount reported on Schedule A, Part II, line 22. If the amount is less than zero, enter zero.

Line 7 – Enter the lesser of lines 5 or 6. This is the current year PNOL deduction. Enter the amount on Schedule A, Part II, line 23.

Section B – Post Allocation Net Operating Losses (NOL)

Only complete this section if the Allocated Entire Net Income/(Loss) before net operating loss deductions and dividend exclusion on Schedule A, Part II, line 24 is positive.

Line 1 – Enter the amount of loss reported on Schedule A, Part II, line 22 from previous tax periods. Enter the year in which the loss was generated.

FYI On line 1, taxpayers will only check the box next to the Return Period Ending entry if the NOL is from a tax period in which the taxpayer was a taxable member on a New Jersey combined return.

Note: The loss reported each year must not include any amount excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108).

Line 2 – Enter the total of all losses from line 1.

Line 3 – Enter that portion of the loss reported on line 2 that was deducted in a previous year.

Line 4 – Enter the amount of the NOL that has expired.

Note: NOLs can be carried forward to each of the 20 privilege periods following the privilege period of the loss.

Line 5 – Enter the amount excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108). If the taxpayer reported an amount in Section A, line 4 of Form 500, only enter the excess here. (Section A, line 1 minus lines 2, 3, and 4)

Line 6 – Subtract the amounts reported on lines 3 through 5 from the amount on line 2. This is the total amount of NOL available for deduction in the current year. If the amount is less than zero, enter zero.

Line 7 – Enter the amount reported on Schedule A, Part II, line 24. If the amount is less than zero, enter zero.

Line 8 – Enter the lesser of lines 6 or 7. This is the current year NOL Deduction. Enter the amount on Schedule A, Part II, line 25.

Worksheet 500-P

Worksheet 500-P is to help taxpayers transition to the new net operating loss regime. Any unused, unexpired net operating losses that were generated in tax periods ending prior to July 31, 2019, must be converted to a post-allocated basis. These loss carryovers can only be carried forward for the 20 privilege periods following the period of the initial loss. Complete Worksheet 500-P the first year in which the conversion is calculated. Worksheet 500-P should continue to be included for each year in which the taxpayer has PNOLs.

Part I

Line 1 – Enter the taxpayer's Allocation Factor for the last privilege period ending prior to July 31, 2019.

Part II

Column 1 – Enter the Tax Period Ending. The period must end before July 31, 2019.

Column 2 – Enter the Net Operating Loss for each period. Enter the entire loss for the period. Amounts that have been used in previous periods or are expired should be reported in Section A on lines 2 and 3. The converted losses can only be carried forward for the 20 privilege periods following the period of the initial loss.

Note: For privilege periods ending after June 30, 2014, the loss reported each year must not include any amount excluded from Federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108).

Column 3 – Multiply the amount in column 2 by the Allocation Factor entered on line 1 of Part I. The total amount of losses reported in column 3 is carried to Form 500, Section A, line 1.

Additional Forms and Instructions

Most of the forms and schedules needed to complete the return are included with Form CBT-100. However, there are several stand alone forms and schedules that taxpayers can obtain on the Division's website. This includes:

- Schedule G-2: Claim for Exceptions to Disallowed Interest and Intangible Expenses and Costs
- Schedule N: Nexus – Immune Activity Declaration and the Nexus Questionnaire
- Schedule O: Nonoperational Activity
- Schedule PT: Dividend Exclusion for Certain Previously Taxed Dividends
- Form 300: Urban Enterprise Zone Employees Tax Credit
- Form 301: Urban Enterprise Zone Investment Tax Credit
- Form 302: Redevelopment Authority Project Tax Credit
- Form 304: New Jobs Investment Tax Credit
- Form 305: Manufacturing Equipment and Employment Investment Tax Credit
- Form 306: Research and Development 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 327: Film and Digital Media Tax Credit
- Form 328: Tax Credit for Employers of Employees With Impairments
- Form 329: Pass-Through Business Alternative Income Tax Credit
- Form 330: Apprenticeship Program Tax Credit
- Form 331: Tax Credit for Employer of Organ/Bone Marrow Donor
- Form 332: Tiered Subsidiary Dividend Pyramid Tax Credit

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