

FORM 313
(12-19)
2019

**NEW JERSEY CORPORATION BUSINESS TAX
ECONOMIC RECOVERY TAX CREDIT**

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

RETURN FILING METHOD

- The taxpayer is included as a taxable member on a New Jersey combined return.
- The taxpayer is a separate return filer. Complete Parts I–IV, as applicable. Do not complete Part V.

PART I TAXPAYER AND EMPLOYEE PRELIMINARY QUALIFICATIONS

1. Is the taxpayer receiving a benefit under the New Jersey Urban Enterprise Zones Act?..... YES NO
2. Did the new full-time position at the qualifying location exist prior to credit year one?..... YES NO
3. Is the full-time position filled by an employee of the taxpayer on a temporary or seasonal basis? YES NO
4. Is the employee of the taxpayer an individual with an ownership interest in the business, that individual's spouse or dependent, or that individual's ancestor or descendant? YES NO

NOTE: If the answer to any of the above questions is "YES," do not complete the rest of this form. The taxpayer does **not** qualify for this tax credit. Otherwise, complete questions 5 and 6 and go to Part II.

5. Enter the address of the qualifying location of the new or expanded operations. _____

6. Enter the date when the new or expanded operation began at the qualifying location. _____

PART II QUALIFYING EMPLOYEE INFORMATION

Enter the required information for each of the taxpayer's qualifying employees reported in PART III of this tax credit form. (If more space is needed, include a rider with the additional qualifying employee's information).

Social Security Number	Name	Employment Dates	
		From	To
a.			
b.			
c.			
d.			
e.			

PART III CALCULATION OF THE ECONOMIC RECOVERY TAX CREDIT

7. Enter the number of new full-time positions at the location in credit year one _____ x \$2,500.....	7.	
8. Enter the number of new full-time positions at the location in credit year two _____ x \$1,250.....	8.	
9. Economic Recovery Tax Credit carried over from prior year's Form 313, Part V	9.	
10. Total tax credit available (add lines 7, 8, and 9).....	10.	

PART IV CALCULATION OF THE ALLOWABLE CREDIT AMOUNT AND CARRYOVER

11. Enter the tax liability from page 1, line 2 of CBT-100, CBT-100S, or BFC-1, or the member's column of Schedule A, Part III, line 5 of CBT-100U	11.	
12. Enter the required minimum tax liability as indicated in instruction (b) for Part IV.....	12.	
13. Subtract line 12 from line 11	13.	
14. Enter 50% of the tax liability reported on line 11.....	14.	
15. Enter the lesser of line 13 or line 14	15.	

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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PART IV CALCULATION OF THE ALLOWABLE CREDIT AMOUNT (Continued)

16. Tax credits used by taxpayer on current year's return:		
(a) _____	_____	
(b) _____	_____	
(c) _____	_____	
(d) _____	_____	
..... Total		16.
17. Subtract line 16 from line 15. If zero or less, enter zero		17.
18. Allowable credit for the current tax period. Enter the lesser of line 10 or line 17 here and on Part I, Schedule A-3 of the CBT-100, CBT-100U, CBT-100S, or BFC-1		18.
19. a) Economic Recovery Tax Credit carryover (subtract line 18 from line 10)		19a.
Combined return filers, see Part V before continuing.		
b) Amount of credit shared in current year from Part V, line 28, if applicable		19b.
c) Amount of credit carryover to following year's return (subtract line 19b from line 19a)		19c.

PART V COMBINED RETURN FILERS SHARING CREDIT

20. Amount of Economic Recovery Tax Credit being shared and FEIN of the taxable member of the combined group with which it is being shared (see instructions).....		
_____	_____	
Name Federal ID Number		20.
21. Enter the tax liability of the member with which the credit is being shared from Schedule A, Part III, line 5 of CBT-100U		21.
22. Minimum tax liability		22. 2,000
23. Subtract line 22 from line 21		23.
24. Enter 50% of the tax liability reported on line 21		24.
25. Enter the lesser of line 23 or line 24		25.
26. Tax credits used by this taxpayer on current year's return:		
(a) _____	_____	
(b) _____	_____	
(c) _____	_____	
(d) _____	_____	
..... Total		26.
27. Subtract line 26 from line 25. If zero or less, enter zero		27.
28. Allowable credit shared with this taxable member. Enter the lesser of line 20 or line 27 here and on Part IV line 19b, and CBT-100U, Schedule A-3, Part I for the member receiving the shared amount		28.

Instructions for Form 313 Economic Recovery Tax Credit

The purpose of the Economic Recovery Tax Credit is to foster business investment in qualified municipalities established under the authority of the “qualified Municipality Open For Business Incentive Program.” A taxpayer that is engaged in the conduct of business within a qualified municipality and is not receiving a benefit under the New Jersey Urban Enterprise Zones Act, P.L.1983, c.303 (C.52:27h-60 et seq.) may apply to receive a tax credit against the amount of tax otherwise imposed under the Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.) equal to \$2,500 for each new full-time position at that location in credit year one and \$1,250 for each new full-time position at that location in credit year two. No taxpayer shall be allowed more than a single 24-month continuous period in which credits shall be allowed for activity at a location within a qualified municipality. The amount of this credit in addition to the amount of any other tax credits is limited to 50% of the taxpayer’s total tax liability and cannot exceed an amount that would reduce the total tax liability below the statutory minimum. If the taxpayer claims this credit on Form CBT-100, CBT-100U, CBT-100S, or BFC-1, a completed Form 313 must be included with the return to validate the claim.

Any unused credit may be carried forward, if necessary, for use in the five privilege periods following the privilege period for which the credit is allowed. The credit allowed for credit year one may be refundable at the close of the privilege period in which or with which credit year two ends. That amount of the credit received for credit year one remaining, if any, after the liabilities for the privilege period in which or with which credit year two ends and for any prior privilege period have been satisfied, multiplied by the sustained effort ratio, shall be an overpayment for the purposes of section R.S.54:49-15 for the privilege period in which or with which credit year two ends; that amount of the credit received for credit year one remaining, if any, that is not an overpayment may be carried forward.

DEFINITIONS

Credit year one means the first twelve calendar months following the initial or expanded operations at a location within a qualified municipality.

Credit year two means the twelve calendar months following credit year one.

Employee of the taxpayer does not include an individual with an ownership interest in the business, that individual’s spouse or dependents, or that individual’s ancestors or descendants.

Full-time position means a position filled by an employee of the taxpayer for at least 140 hours per month on a permanent basis, which does not include employment that is temporary or seasonal.

New full-time position means a position that did not exist prior to credit year one. New full-time positions shall be measured by the increase, from the twelve month period preceding credit year one to the measured credit year, in the average number of full-time positions and full-time position equivalents employed by the taxpayer at the location within a qualified municipality. The hours of employees filling part-time positions shall be aggregated to determine the number of full-time position equivalents.

Part-time position means a position filled by an employee of the taxpayer for at least 20 hours per week for at least 3 months during the credit year.

Sustained effort ratio means the proportion that the credit year two new full-time positions bear to the credit year one new full-time positions, not to exceed one.

SPECIFIC INSTRUCTIONS FOR FORM 313

COMBINED RETURN FILERS – If filing a combined return, the form must be completed by the member that earned the credit.

PART I

TAXPAYER AND EMPLOYEE PRELIMINARY QUALIFICATIONS

Questions 1 through 4 pertain to the taxpayer and the employee qualifications that must be met prior to taking the Economic Recovery Tax Credit. If the answer to any of these questions is “YES,” the taxpayer is not eligible to take this tax credit. If the answer to all of the questions is “NO,” the taxpayer must first fill in line items 5 and 6, and then complete the balance of the form computing the amount of tax credit that is allowed to be taken on the current tax return.

PART II

QUALIFYING EMPLOYEE INFORMATION

Complete the information requested for each qualifying employee entered in Part III of this form. Include a rider if additional space is required.

PART III

CALCULATION OF THE ECONOMIC RECOVERY TAX CREDIT

The tax credit is computed in this section, and is equal to \$2,500 for each new full-time position at the qualified location in credit year one and \$1,250 for each new full-time position at the location in credit year two.

Line 7 – Enter the information for line 7 on the form filed for credit year one only.

Line 8 – Enter the information for line 8 on the form filed for credit year two only.

**PART IV
CALCULATION OF THE ALLOWABLE CREDIT AMOUNT AND
CARRYOVER**

- a) The allowable Economic Recovery Tax Credit for the current period is calculated in Part IV. The amount of this credit in addition to the amount of any other tax credits taken cannot exceed an amount that would reduce the total tax liability below the statutory minimum. Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.
- b) The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	CBT-100/ BFC-1	CBT-100U	CBT-100S
Less than \$100,000	\$ 500	\$2,000	\$ 375
\$100,000 or more but less than \$250,000	750	2,000	562
\$250,000 or more but less than \$500,000	1,000	2,000	750
\$500,000 or more but less than \$1,000,000	1,500	2,000	1,000
\$1,000,000 or more	2,000	2,000	1,500

If a taxpayer is filing a separate return and is a member of an affiliated or controlled group that has a total payroll of \$5,000,000 or more for the return period, the minimum tax is \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month.

**PART V
Combined Return Filers Sharing Credit**

Taxable members of a combined group may share their tax credits and credit carryovers with other taxable members of the combined group that are included on the same New Jersey combined return. The decision to share (or not share) tax credits or carryovers remains with the taxable member who generated the tax credit or carryover. Tax credits and credit carryovers may be shared among members of the same combined group regardless of whether such taxable members were part of the same combined group when the tax credit or carryover was generated.

If the taxpayer shared the credit with another taxable member of the combined group, use this portion of the form to track the member with which the credit is being shared, calculate the allowable amount that can be shared, and calculate the amount of the credit that can be carried over for use in future tax years. A shared credit carryover belongs to the member that originally earned the credit. Generally the amount of unused tax credit may be carried forward to subsequent tax years as described at the beginning of these instructions.

Note: If the member that owns the credit is sharing a portion of their credit with multiple members, include a copy of this section for each member with which the credit is shared.