

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

Schedule PT
(R. 2/20)

**NEW JERSEY
CORPORATION
BUSINESS TAX**



Dividend Exclusion for Certain Previously Taxed Dividends

Instructions for Schedule PT

PURPOSE

Schedule PT is a standalone schedule for dividends that were included by the taxpayer in entire net income in one tax year and the taxpayer paid tax on those dividends, and those dividends are again being included in the taxpayers entire net income this year. For example, the taxpayer included deemed dividends in entire net income and paid the corporation business tax in tax year 1 and in tax year 2 the dividends were actually paid out and the taxpayer included the same dividends in entire net income. In order to prevent the same dividends from being taxed twice, Schedule PT was created to allow taxpayers an additional exclusion if the taxpayer provides documentation substantiating that the taxpayers already included those dividends in entire net income and paid tax to New Jersey.

A taxpayer is only allowed this exclusion if the taxpayer filed a corporation business tax return in the previous year(s), the taxpayer had included the dividend in their entire net income and paid tax to New Jersey. If those dividends reduced the taxpayer's Net Operating Losses/Net Operating Loss Carryovers, a rider must be attached that details the amounts. The additional exclusion is only for the amount of dividends actually included in entire net income and is not allowed if the dividends had previously been excluded.

Example: a taxpayer included 50% of deemed dividends from a less than 80% owned subsidiary in entire net income in tax year 1 on their CBT-100 return and paid tax in tax year 1. In tax year 2, the subsidiary paid the dividends on those same amounts to the taxpayer. In tax year 2, the taxpayer would complete Schedule PT and would exclude 100% of those dividends since the taxpayer already paid the Corporation Business Tax on those dividends in tax year 1. The taxpayer must provide supporting documentation showing clear evidence to the satisfaction of the Director that the taxpayer already included those dividends in entire net income and paid more than the minimum tax in a prior tax year. Such supporting documents include a previously filed CBT-100, CBT-100U, or BFC-1, Form CBT-DIV 2017 and CBT-DIV 2017 Supplemental, federal IRC section 965 repatriation statements, etc.

Schedule PT is to be completed before completing Schedule R.

INSTRUCTIONS FOR PART I

Include the name of the subsidiary(ies) from which the taxpayer received the dividends or deemed dividends in a prior tax year that were included in entire net income and on which tax was paid to New Jersey, but only if those same dividends are being included in entire net income a second time in the current tax year. The taxpayer must substantiate the prior dividend inclusion with valid proof in the form of past years tax returns and the statements evidencing the dividend inclusions. Include only dividends that have been previously taxed by New Jersey. Do not include any federal previously taxed income that was not taxed by New Jersey

If a taxpayer had dividends that were included in entire net income on a previously filed New Jersey CBT-100, CBT-100U, or BFC-1 and those dividends reduced the taxpayer's Net Operating Losses/Net Operating Loss Carryovers, a rider must be attached that details the amounts. These dividends are considered previously taxed dividends for purposes of this schedule.

Enter the amounts from Schedule PT onto the appropriate lines of Forms CBT-100, CBT-100U, BFC-1, or BFC-1-F. When completing this schedule, BFC-1-F filers must use the lines that correspond to the lines referenced for the BFC-1.

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

SCHEDULE PT
REV. 9/19

PREVIOUSLY TAXED DIVIDENDS

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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PREVIOUSLY TAXED DIVIDENDS – Report only dividends received by the TAXPAYER on which the TAXPAYER paid greater than the New Jersey minimum tax in a prior tax year.*

* If a taxpayer had dividends that were included in entire net income on a previously filed New Jersey CBT-100, CBT-100U, or BFC-1 and those dividends reduced the taxpayer's Net Operating Losses/Net Operating Loss Carryovers, a rider must be attached that details the amounts. These dividends are considered previously taxed dividends for purposes of this schedule, write "NOL rider" in column (3)(b).

Section A – Total of previously taxed dividends received from an 80% or more owned subsidiary

(1) Subsidiary's Federal ID Number	(2) Name of Subsidiary	(3) Dividends Included in Entire Net Income and Reported on Schedule A				
		(a) Amount of Deemed Dividend	(b) Amount of Tax Paid to New Jersey <small>(if \$2,000* or less, enter 0 in column 3d of that row)</small>	(c) Year Tax Paid to New Jersey	(d) Dividend Distributed as a Paid Dividend	(e) Year of Dividend Distribution

Section B – Total of previously taxed dividends received from a subsidiary in which you owned at least 50% but less than 80% voting stock

(1) Subsidiary's Federal ID Number	(2) Name of Subsidiary	(3) Dividends Included in Entire Net Income and Reported on Schedule A				
		(a) Amount of Deemed Dividend	(b) Amount of Tax Paid to New Jersey <small>(if \$2,000* or less, enter 0 in column 3d of that row)</small>	(c) Year Tax Paid to New Jersey	(d) Dividend Distributed as a Paid Dividend	(e) Year of Dividend Distribution

Section C – Total of previously taxed dividends received from a subsidiary in which you own less than 50% voting stock

(1) Subsidiary's Federal ID Number	(2) Name of Subsidiary	(3) Dividends Included in Entire Net Income and Reported on Schedule A				
		(a) Amount of Deemed Dividend	(b) Amount of Tax Paid to New Jersey <small>(if \$2,000* or less, enter 0 in column 3d of that row)</small>	(c) Year Tax Paid to New Jersey	(d) Dividend Distributed as a Paid Dividend	(e) Year of Dividend Distribution

Section D – Previously taxed dividends

1. Enter the total from Column 3d of Section A (if zero or less, enter zero)	1.	
2. Enter the total from Column 3d of Section B (if zero or less, enter zero)	2.	
3. Add line 2 and line 1 (include here and on Schedule R, line 2, Part I or III (as applicable) of Forms CBT-100 or BFC-1 or on Schedule R, line 1(b), Part I or III (as applicable) of Form CBT-100U) (if zero or less, enter zero)	3.	
4. Enter the total from Column 3d of Section C (if zero or less, enter zero)	4.	
5. Add line 3 and line 4 (include here and on line 13, Schedule A, Part II, Form CBT-100 or BFC-1 or CBT-100U,) (if zero or less, enter zero)	5.	

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