

**New Jersey Corporation Business Tax
Pass-Through Business Alternative Income 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.

Combined Return Filers

The taxpayer is included as a taxable member on a New Jersey combined return. See instructions.
Fill in oval if member is **not** sharing its credit with other members of the group.

**Part I Calculation of Allowable Credit Amount and Carryover
(Combined return filers DO NOT complete Part I. Continue with Part II.)**

1. Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received:				
Name of pass-through entity	Tax year of PTE-K-1	Amount		
(a) _____	_____	_____		
(b) _____	_____	_____		
(c) _____	_____	_____		
(d) _____	_____	_____ Total	1.
2. Pass-Through Business Alternative Income Tax Credit carried over from the prior privilege period..				2.
3. Total credit available (add lines 1 and 2)				3.
4. Enter tax liability from page 1, line 2 of the CBT100, CBT-100S, or BFC-1				4.
5. Enter the required minimum tax liability (see instructions)				5.
6. Subtract line 5 from line 4				6.
7. Other tax credits used by taxpayer on current year's return (see instructions):				
(a) _____	_____			
(b) _____	_____			
(c) _____	_____			
(d) _____	_____	 Total	7.
8. Subtract line 7 from line 6. If zero or less, enter zero				8.
9. Allowable credit for the current tax period. Enter the lesser of line 3 or line 8 here and in Part I, Schedule A-3 of CBT-100, CBT-100S, or BFC-1				9.
10. Balance of available credit (subtract line 9 from line 3)				10.
CBT-100S filers skip lines 11a and 11b and complete line 12.				
11. a) Amount of surtax from page 1, line 5a of the CBT-100 or BFC-1.....		11a.		
b) Credit to apply to surtax. Enter lesser of line 10 or line 11a here and on page 1, line 5b of the CBT-100 or BFC-1				11b.
12. Tax credit carryover (subtract line 11b from line 10)				12.

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Part II Calculation of Allowable Credit Amount and Carryover – Combined Return Filers ONLY

Section A – Calculation of Available Credit – ALL Combined Return Filers

13. Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received:

Name of pass-through entity	Tax Year of PTE-K-1	(A) Unitary amount	(B) Nonunitary amount

Totals 13a. 13b.

14. Pass-Through Business Alternative Income Tax Credit carried over from the prior privilege period

15. Total credit available (add lines 13 and 14) 15a. 15b.

Note: Do not include amounts from line 15b in Sections B and C. See instructions.

Section B – Combined Return Filers With Unitary Credit

16. Enter the group tax liability from Schedule A, Part III, line 5, column (a) of CBT-100U..... 16.

17. Enter the aggregate minimum tax of combined group members (see instructions)..... 17.

18. Subtract line 17 from line 16..... 18.

19. Other tax credits used by combined group on current year's return (see instructions):

- (a) _____
- (b) _____
- (c) _____
- (d) _____ Total 19.

20. Subtract line 19 from line 18. If zero or less, enter zero 20.

21. Allowable credit for the current tax period. Enter the lesser of line 15a or line 20. **If sharing**, also include in the member's column of Part I, Schedule A-3 of the CBT-100U 21.

If SHARING credit, complete lines 22–24.

If NOT sharing credit, skip lines 22–24 and complete Section C.

22. Balance of available unitary credit (subtract line 21 from line 15a) 22.

23. a) Combined group surtax from Schedule A-5, Part I, line 2 of CBT-100U..... 23a.

b) Credit to apply to surtax. Enter lesser of line 22 or line 23a. Also include in the member's column of Schedule A-5, Part I, line 3 of CBT-100U. 23b.

24. Amount of **unitary** credit carryover to following year's return (subtract line 23b from line 22)..... 24.

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Section C – Combined Return Filers NOT Sharing Unitary Credit (see instructions)

25. a) Enter combined group tax liability from line 16.....	25a.		
b) Divide line 25a by the group allocation factor from Schedule J, line 9.....	25b.		
c) Member's share of combined group tax liability – Multiply line 25b by member's allocation factor from Schedule J, line 9.....			25c.
26. Required minimum tax liability.....			26. 2,000
27. Subtract line 26 from line 25c.....			27.
28. Other tax credits used by taxpayer on current year's return (see instructions):			
(a) _____			
(b) _____			
(c) _____			
(d) _____			
..... Total			28.
29. Subtract line 28 from line 27. If zero or less, enter zero.....			29.
30. Allowable credit for the current tax period. Enter the lesser of line 21 or line 29. Also include in the member's column of Part I, Schedule A-3 of the CBT-100U.....			30.
31. Balance of available credit (subtract line 30 from line 15a).....			31.
32. a) Combined group surtax from Schedule A-5, Part I, line 2 of CBT-100U.....	32a.		
b) Divide line 32a by the group allocation factor from Schedule J, line 9.....	32b.		
c) Member's share of combined group surtax – Multiply line 32b by member's allocation factor from Schedule J, line 9.....	32c.		
d) Credit to apply to surtax. Enter lesser of line 31 or line 32c. Also include in the member's column of Schedule A-5, Part II, line 4 of CBT-100U.....			32d.
33. Amount of unitary credit carryover to following year's return (subtract line 32d from line 31).....			33.

REMITTED ONLY

Instructions for Form 329

Pass-Through Business Alternative Income Tax Credit

Purpose of This Form

When a pass-through entity that is owned by both corporate members and noncorporate members makes an election to pay the Pass-Through Business Alternative Income Tax determined pursuant to section 3 of P.L. 2019, c.320 (C.54A:12-3), the corporate member is allowed a tax credit against their regular tax (N.J.S.A. 54:10A-5(c)(1)) or their surtax (N.J.S.A. 54:10A-5.41). The amount of the credit is the member's share of the tax paid and is shown on Schedule PTE-K-1, which is provided to the member by the pass-through entity. A member can only claim a credit for payment of the tax made by the entity that is applicable to the same tax year.

The credit cannot reduce the corporate member's tax liability below the statutory minimum tax. Any excess credit can be carried over for up to 20 privilege periods.

An exempt corporate member that is exempt from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3) can file Form A-3730 to request a refund of its share of the tax paid by the pass-through entity.

Combined Return Filers

If filing a combined return, this form must be completed by the member that earned the credit. All combined return filers must check the combined return filers box at the top of the form and complete Part II, Section A. See instructions for Part II.

Part I – Calculation of the Allowable Credit Amount and Carryover (for CBT-100, CBT-100S, and BFC-1 Filers only)

For CBT-100, CBT-100S, and BFC-1 filers, the allowable Pass-Through Business Alternative Income Tax Credit is calculated in Part I. Combined return filers do not complete Part I, and must complete Part II instead. 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.

Line 5 – The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	CBT-100/BFC-1	CBT-100S
Less than \$100,000	\$500	\$375
\$100,000 or more but less than \$250,000	\$750	\$562
\$250,000 or more but less than \$500,000	\$1,000	\$750
\$500,000 or more but less than \$1,000,000	\$1,500	\$1,125
\$1,000,000 or more	\$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. The minimum tax is \$2,000 for each member of a combined group that has nexus with New Jersey.

Line 7 – Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.

Part II – Calculation of the Allowable Credit Amount and Carryover for Combined Return Filers

For CBT-100U filers, and allowable Pass-Through Business Alternative Income Tax Credit for the current year is calculated in Part II. All combined return filers must complete Section A.

Unitary Credits. If the pass-through entity is unitary with both the member and the combined group, the credit can be shared and used to reduce the total surtax and total Corporation Business Tax liability of the group. All combined return filers with a unitary credit must complete Section B.

Members Opting Not to Share Unitary Credits. If the member's credit is unitary, the member can choose to share the unitary credit with the group. However, members are not required to share their credits. See N.J.S.A. 54:10A-4.6.i and TB-90(R), *Tax Credits and Combined Returns*. In addition to Sections A and B, members that choose not to share their unitary credit must also complete Section C and fill in the oval at the top of the form to indicate they are not sharing the credit.

Nonunitary Credits. If the pass-through entity is not unitary with the combined group, the credit cannot be shared and can only be used to reduce the total surtax and total Corporation Business Tax liability of the member on income that was derived from the member's activities that are independent of the unitary business of the combined group. Do not use Sections B and C to calculate the amount of a nonunitary credit. See "Calculation of Allowable Nonunitary Credit" in the instructions for Section A.

Section A – To be completed by ALL combined return filers

Line 13 – Enter the requested information for each pass-through entity that provided a Schedule PTE-K-1 to the member. If the pass-through entity is unitary with both the member and the combined group, enter the amount in the unitary column. If the entity is **not** unitary with the combined group, enter the amount in the nonunitary column.

Calculation of Allowable Nonunitary Credit. Do not use Sections B and C to calculate the allowable amount of a nonunitary credit. If the member has an amount on line 15b, calculate the allowable portion based on the tax liability attributable to the member's income that was independent of the unitary group. The amount of credit calculated in addition to any other credits allowed cannot reduce the tax liability to an amount less than the statutory minimum tax. Include the allowable portion in the member's column of Part I, Schedule A-3 of the CBT-100U. Any balance of available credit can be applied to the surtax that is attributable to the member's income that was independent of the unitary group. Include this amount in the member's column of Schedule A-5, Part II, line 4 of CBT-100U. Include a rider showing the calculations.

Section B – To be completed by ALL combined return filers with unitary credits

This section calculates the amount of credit allowable for the group. If a member chooses not to share their unitary credit with the group, Section B must still be completed to ensure the credit allowed for the member does not exceed the amount that would otherwise be allowed against the group tax liability.

The amount of the credit calculated in this section cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

Line 17 – Multiply the number of taxable group members by \$2,000 and enter the result.

Line 19 – Combined groups claiming multiple credits must list any credits already applied to the group tax liability to ensure accuracy of the calculation for maximum credit allowable.

Section C

This section is used to calculate the amount of credit allowable for members that choose not to share their unitary credit with the group. Section C is completed based on the member's share of the group tax liability. The amount of credit calculated in this section cannot reduce the tax liability to an amount less than \$2,000. The amount of the credit is also limited to the amount that would otherwise be allowed against the group tax liability if the member had been sharing the credit.

Line 28 – Members claiming multiple credits must list any credits already applied to the member's tax liability to ensure accuracy of the calculation for maximum credit allowable.