

2023 CBT-100S

General Instructions for New Jersey S Corporation Business Tax Return and Related Forms

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 [the Division's website](#) or check with your software provider to see if they support any or all of these filings.

To file and pay the annual report electronically, visit the Division of Revenue and Enterprise Services' [website](#).

Before You Begin

Read all instructions carefully before completing returns.

Include a complete copy of the federal Form 1120-S and all related forms and schedules. See Technical Bulletin, [TB-98\(R\)](#), *Federal Return and the Forms and Schedules to Include with the Corporation Business Tax Return*.

For privilege periods beginning on or after December 22, 2022, a federal S corporation (or QSSS) can file as a New Jersey S corporation (or QSSS) even if they did not previously make the New Jersey election. They must submit the Shareholder Jurisdictional Consent and proof of their federal S corporation status. See instructions for Schedule SJC for more information.

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

A corporation that has elected and qualifies to be an S corporation pursuant to Section 1361 of the Internal Revenue Code is required to file Form CBT-100S unless the shareholders elect to be treated as a C corporation for New Jersey purposes. See Hybrid Corporations.

**NEW FOR
2023**

Nexus. For privilege periods ending on and after July 31, 2023, corporations will be deemed to have bright-line economic nexus if during the corporation's tax year:

- The receipts derived from New Jersey sources are more than \$100,000, or
- 200 or more separate transactions are delivered to customers in New Jersey.

Corporations that do not meet either threshold above, and do not create nexus in another way, do not have nexus even if they have New Jersey receipts. Information on nexus is available in [TB-108](#), *Nexus for Corporation Business Tax for Privilege Periods Ending on and after July 31, 2023*.

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-100S. In addition, taxpayers must include a copy of the [Nexus Questionnaire](#) and remit the minimum tax with the CBT-100S.

Note: Check the box on page 1 to indicate the corporation is claiming P.L. 86-272.

Qualified Subchapter S Subsidiaries. A Qualified Subchapter S Subsidiary (QSSS) is required to file Form CBT-100S annually, including only page 1 reflecting zero income, the Annual General Questionnaire, and when applicable Schedule SJC and Schedule PC, and remit the minimum tax. The QSSS must check the box on page one indicating it is a Qualified Subchapter S Subsidiary and include the parent ID number. The parent is obligated to report all assets, liabilities, income, and expenses of the QSSS on a consolidated basis on its CBT-100S, CBT-100, or CBT-100U return. See also, Hybrid Corporations.

Hybrid Corporations. A federal S corporation or Qualified Subchapter S Subsidiary that elects to file as a C corporation for New Jersey purposes is a hybrid corporation. For information on filing requirements, see [TB-105](#), *Corporation Business Tax and Gross Income Tax Guidance regarding S Corporations and Qualified Subchapter S Subsidiaries*.

Foreign Corporations That Own New Jersey Partnerships. A foreign corporation that owns a New Jersey partnership must file Form CBT-100S to claim the tax paid on their behalf by the partnership. The foreign corporation cannot transfer the tax paid by the partnership on its behalf to any of its shareholders.

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 year.

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 can cover a period exceeding 12 months, even by a day.

NEW FOR 2023 **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, Form CBT-100 or the Corporation Business Tax Unitary Return, Form CBT-100U.

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.

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, did not own any assets, did not make any distributions, and did not have any change in ownership, must complete the Certificate 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 New Jersey S corporation is not included as a member of a combined group unless the New Jersey S corporation affirmatively elects to be included as a member of the combined group on the CBT-100U.

Note: The law change did not impact the treatment of parent New Jersey S corporations and New Jersey qualified subchapter S subsidiaries. The parent of New Jersey qualified subchapter S subsidiary(ies) must include the figures from itself and all the New Jersey QSSSs.

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-100S) 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-100S 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

2023 Accounting Periods and Due Dates

The 2023 S Corporation Business Tax return should only be used for accounting periods ending on and after July 31, 2023, through June 30, 2024.

New Jersey Corporation Business Tax returns and payments, except estimated payments, are due the 15th day of the month following the month the federal corporate income tax return is originally due. 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 2023 CBT-100S forms and payments:

If accounting period ends on:	July 31, 2023	Aug. 31, 2023	Sept. 30, 2023	Oct. 31, 2023	Nov. 30, 2023	Dec. 31, 2023
Due date for filing is:	Nov. 15, 2023	Dec. 15, 2023	Jan. 15, 2024	Feb. 15, 2024	Mar. 15, 2024	Apr. 15, 2024
If accounting period ends on:	Jan. 31, 2024	Feb. 28, 2024	Mar. 31, 2024	Apr. 30, 2024	May 31, 2024	June 30, 2024
Due date for filing is:	May 15, 2024	June 15, 2024	July 15, 2024	Aug. 15, 2024	Sept. 15, 2024	Oct. 15, 2024

Calendar or fiscal accounting year is the same accounting period upon which 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 8/31/23 may be filed on a 2022 federal 1120-S; the same tax year must be filed on a 2023 New Jersey CBT-100S.) All accounting periods must end on the last day of the month, even if the taxpayer uses the same 52-53 week accounting year that is used for federal income tax purposes, see N.J.A.C. 18:7-2.3. The Division is aware that taxpayers cannot properly input dates for 52-53 week accounting years. In this case, taxpayers must enter the last day of the month. Attach a rider showing the correct accounting period. 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. If an extension is requested, the corporation should notify all shareholders of such request.

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.

NEW FOR 2023 P.L. 2023, c.96 increased the installment payment safe harbor in [N.J.S.A. 54:10A-15.2](#) from \$375 to \$1,500. See page 1, line 7 instructions for more information.

How to Pay

To make payments electronically, go to the Division of Taxation's [website](#). Taxpayers that do not have access to the internet may 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](#), call (609) 292-9292, fax (609) 984-6681, 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-100S, 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. The annual interest rate is 3% above the average predominant prime rate on outstanding balances 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 11% of any tax, penalties, 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

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 must be reported to the Division within 90 days. Amended NJ-K-1s must be provided to the appropriate shareholders.

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.

If filing an amended return, enter the applicable code in the boxes provided. If using code 10, "Other," enter the reason in the lines provided. If more space is needed, include a rider.

1. Change in allocation factor
2. IRS audit
3. Amended federal 1120-S filed
4. To take credit for payments/payments made by a partnership
5. Adjustments to ENI
6. To change credit request to refund request or refund request to credit request
7. Change in filing period
8. Change in tax credits reported
9. Adding or subtracting a combined return member
10. Other

Note: Taxpayers cannot file an amended return to change the entity type from an S corporation to a C corporation, or from a C corporation to an S corporation.

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, is claiming P.L. 86-272, or is a qualified subchapter S subsidiary, check the box and enter parent ID number. See Corporations Required to File on page 1 for required forms and schedules.

All corporations must complete page 1, the Annual General Questionnaire, Schedules A, A-2, A-3, A-4, J, and SJC (if it has not been previously provided) of the return.

Line 1 – Taxable Net Income Subject to Federal Corporate Income Taxation

Enter amount from Schedule A, Part II, line 5. If zero or less, enter zero.

Line 2a – Amount of Tax

Multiply line 1 by the applicable tax rate:

- **If the total of Schedule A, Part II, line 5 plus Schedule O, Part III, line 31 (if applicable) is greater than \$100,000**, the tax rate is 9% (.09).
- **If the total of Schedule A, Part II, line 5 plus Schedule O, Part III, line 31 (if applicable) 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 total of Schedule A, Part II, line 5 plus Schedule O, Part III, line 31 does not exceed \$8,333 per month.
- **If the total of Schedule A, Part II, line 5 plus Schedule O, Part III, line 31 (if applicable) 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 total of Schedule A, Part II, line 5 plus Schedule O, Part III, line 31 does not exceed \$4,166 per month.

For taxpayers with total entire net income that is not subject to federal income taxation or such portion that is allocable to New Jersey, there is no tax imposed. However, minimum tax requirements apply.

Line 2b – Total Minimum Tax

NEW FOR 2023 Enter the total minimum tax. Schedule A-GR has been discontinued. All taxpayers must complete Schedule J.

The minimum tax is assessed based on the New Jersey gross receipts from Schedule J, line 6 as follows:

<i>New Jersey Gross Receipts</i>	<i>Minimum Tax</i>
Less than \$100,000	\$375
\$100,000 or more but less than \$250,000	\$562
\$250,000 or more but less than \$500,000	\$750
\$500,000 or more but less than \$1,000,000	\$1,125
\$1,000,000 or more	\$1,500

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. 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.

Line 3 – Tax Credits

Enter amount from Schedule A-3, Part I, line 30. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

Line 4 – Tax Liability

Subtract line 3 from the greater of line 2a or 2b.

Note: The surtax does not apply to New Jersey S corporations.

Line 5 – 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.

NEW FOR 2023 For tax years ending on and after July 31, 2023, the threshold for making installment payments is \$1,500.

- **If the 2023 total tax liability is greater than \$1,500**, the taxpayer must make installment payments towards 2024. 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 2023 total tax liability is \$1,500**, 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 2023 total tax liability. For taxpayers who qualify and want to take advantage of this option, enter on line 5, 50% of

the amount on line 4. This will become part of the payment to be made with the 2023 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2024 return.

Line 6 – Professional Corporation Fees

Enter amount from Schedule PC, Part II, 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 7 – Total Tax and Professional Corporation Fees

Enter the total of lines 4, 5, and 6.

Line 8a – Payments and Credits

Include on this line:

- Installment tax payments made for 2023;
- 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 8b – 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 8c – Refundable Tax Credits

Enter the amount from Schedule A-3, Part II, line 6. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

Line 9 – Balance of Tax Due

If line 8d is less than line 7, subtract line 8d from line 7 and enter the difference. If line 8d is more than line 7, skip line 9 and continue with line 10.

Line 10 – Pro Rata Share of S Corp Income for Nonconsenting Shareholders

Enter the amount from Schedule K, Part VII, line 6, column C. If the S corporation was completely liquidated during the tax year and Schedule K Liquidated was completed, add the amounts from Part VII, line 6 columns C and E and enter the total.

Line 11a – Gross Income Tax Paid on Behalf of Nonconsenting Shareholders

Enter the amount from Schedule K, Part VII, line 6, column F. If the S corporation was completely liquidated during the tax year and Schedule K Liquidated was completed, enter the amount from Part VII, line 6, column H. The tax rate on net pro rata share of S corporation income allocated to New Jersey for non-consenting shareholders is 10.75% (.1075).

Note: The S corporation cannot make payments on behalf of consenting shareholders. Any payments made on behalf of consenting shareholders will be disallowed by the Division. The S corporation will be required to file a refund claim for any payments made on behalf of consenting shareholders.

Line 11b – Pass-Through Business Alternative Income Tax Credit Applied to Gross Income Tax Paid on Behalf of Nonconsenting Shareholders

Enter the amount from Form 329. Do not enter more than the amount on line 11a. Include Form 329 with the return. See Form 329 instructions for more information.

Line 11c – Balance of Tax Paid on Behalf of Nonconsenting Shareholders

Subtract line 11b from line 11a and enter the result.

Line 12 – Penalty and Interest Due

Include any penalties and interest. See the Penalties and Interest section for information.

Amount Due or Overpayment - Lines 13–17

Compare line 8d to the total of lines 7, 11c, and 12.

- If line 8d is less than the total of lines 7, 11c, and 12, complete line 13.
- If line 8d is more than the total of lines 7, 11c, and 12, complete lines 14 through 17.

Line 13 – Total Balance Due

Enter the total of lines 9, 11c, and 12.

Line 14 – Amount Overpaid

Subtract the total of lines 7, 11c, and 12 from the amount on line 8d.

Line 15 – Refund

Enter the amount of your overpayment that you want refunded.

Line 16 – Credit to 2024

Enter the amount of your overpayment that you want to credit to your 2024 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 New Jersey S corporation can only be credited to a combined group in which the New Jersey S corporation elects to be included. Otherwise, an overpayment of tax by a New Jersey S corporation will not be credited to any combined group. For information on federal S corporations filing as New Jersey C corporations, see [TB-105](#) and *Answers to Frequently Asked Questions on the New Jersey S Corporation Procedural Changes*.

Certification of Inactivity

Inactive corporations must complete page 1, the Annual General Questionnaire, Schedules A, A-2, A-3, A-4, J, and SJC (if not previously submitted) of the CBT-100S. 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 and to acknowledge that they understand they are required to include copies of their federal return(s), forms, and schedules. 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

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

Schedule A

Computation of Taxable Net Income

Every taxpayer must complete this schedule.

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. See Technical Bulletin, [TB-98](#), *Federal Return and the Forms and Schedules to Include with the Corporation Business Tax Return*.

Part I

NEW FOR 2023

Cannabis Licensees. The income of a taxpayer, that is registered as a cannabis licensee with New Jersey, shall be determined without regard to 26 U.S.C.

s.280E. However, Schedule A, Part I must be completed using the amounts that were reported for federal purposes. The taxpayer will calculate the expenditures that would have been eligible to be claimed as a federal income tax deduction (but that were disallowed for federal purposes because cannabis is a controlled substance under federal law) and include those amounts in New Jersey modifications to entire net income in Part II. The taxpayer must attach a rider detailing the math and the deductions being claimed.

Line 4 – Net gain (loss) from Form 4797

Include a rider or schedules showing the same information shown on federal Form 4797. Gains and losses resulting from the disposition of property where an 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 26. 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 13 – Interest

Include a copy of federal Form 8916A and/or federal Form 8990 if completed.

Line 21 – Ordinary Income From Trade or Business Activities

The amount on line 21 must agree with line 22, page 1, of the taxpayer's federal Form 1120-S.

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

Lines 22a to 30 – Include all items of income and expense that pass through to the individual shareholders as reported on the federal Schedule K. Be sure to report Part I, lines 26, 27, and 28 as deductions.

Charitable contributions are limited to 10% of taxable income for New Jersey purposes and should be stated separately on line 30.

Built-in gains must be reported on Part I, line 23d as a gross amount exclusive of any net effects of taxes paid by the corporation.

Line 31 – The amount on line 31 must reflect entire net income in the same manner and to the same extent as reported for federal purposes

Line 33 – 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 Part I, line 31.

Line 34 – 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, or any sales and use tax paid by a utility vendor, taken as a deduction on Schedule A and reflected on Part I, line 31. For additional information, see Technical Bulletin [TB-80](#), *Add-back of Other States' Taxes*, and the Schedule H instructions.

Line 35 – Taxes paid by the corporation on behalf of the shareholder

Any tax paid by the corporation on behalf of any shareholder should not have been deducted as an expense on Schedule A. However, if the corporation expensed such taxes on Schedule A, these taxes must be included in Part I, line 34.

Line 36a – Depreciation modification being added to income

Enter the depreciation and other adjustments being added to income from Schedule S. See Schedule S instructions for more information.

Line 36b – Depreciation modification being subtracted from income

Enter the depreciation and other adjustments being subtracted from income if Schedule S, line 15 is a negative number. Enter the amount as a positive number. Schedule S instructions for more information.

Line 37 – Dividend Exclusion

Enter the amount from Schedule R, line 9.

Line 38a – I.R.C. § 78 Gross-up

The portion of any I.R.C. § 78 gross-up included in dividend income on Part I, line 23b that is not excluded/deducted from entire net income on Part I, line 43 may be deducted on this line. Include a copy of federal foreign tax credit, Form 1118.

Line 38b – Other deductions and additions

This includes, but is not limited to:

- Adjustments for which a place has not been provided somewhere else on the return;
- Gross income, less deductions and expenses in connection with that income, from sources outside the United States not included in federal taxable income;
- The net effect of the elimination of nonoperational and non-unitary partnership income and expenses from Schedule O, Part I, line 36;
- The add back of 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.
- A New Jersey cannabis licensee is allowed to deduct their expenditures that would be eligible to be claimed as a federal income tax deduction but were disallowed for federal purposes because cannabis is a controlled substance under federal law. Attach a rider detailing the calculations and the deductions claimed.
- A New Jersey cannabis licensee is allowed to deduct their expenditures that would qualify as qualified research expenditures pursuant to section 174 of the Internal Revenue Code, but were disallowed for federal purposes because cannabis is a controlled substance under federal law. Additionally any expenditure that is claimed as a deduction may also be claimed as a qualified research expense for purposes of the New Jersey Research and Development Tax Credit on Form 306. Attach a rider detailing the calculations.
- Deduction for energy efficient commercial buildings. Include a copy of federal Form 7205.

Include separate riders explaining any items reported.

Line 38c – 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 Part I, line 38c and include a rider detailing the amounts and the provisions of the Internal Revenue Code.

Note: Items of income excluded from federal taxable net income pursuant to the specific terms of a treaty do not have to be added back to entire net income.

Line 39 – Entire net income/(loss) for New Jersey purposes

Enter the net of lines 32 through 38c.

Note: The amount reported on Schedule A, line 36b must be subtracted when netting lines 32 through 38c.

Line 40 – Allocation Factor from Schedule J

All taxpayers must complete Schedule J. Enter allocation factor from Schedule J. See Schedule J instructions for more information.

Line 41 – Allocated entire net income/(loss) before net operating loss deductions

Multiply line 39 by line 40 and enter the result. If zero or less, also enter zero on line 43.

Note: A net operating loss for a tax year may be carried forward as a net operating loss deduction to a succeeding year. An S corporation may carry forward losses generated as a C corporation. A net operating loss is the excess of allowable deductions over gross income used in computing entire net income. A net operating loss deduction is not 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 500S.

FYI	Information on NOL deductions is available online. See TB-94 for tax years ending on and after July 31, 2019.
------------	---

Line 42 – Deduction for current converted net operation losses

Enter the amount of current converted net operating losses from Form 500S.

Line 43 – Allocated Entire Net Income

Subtract line 42 from line 41 and enter the result.

Part II

Line 1 – Entire net income that is subject to federal corporate income taxation

Line 1 must reflect the income used as a basis in determining the federal tax payable by the corporation as reported on federal Form 1120-S, such as certain built-in gains, net passive income, etc. Built-in gains must be reported on line 23d as a gross amount exclusive of any net effects of taxes paid by the corporation.

Line 2 – Allocation Factor

Enter the allocation factor from Schedule J.

Line 3 – Allocated Entire Net Income before net operating loss deductions

Multiply line 1 by line 2.

Line 4 – Deduction for Available Converted Net Operation Losses

A taxpayer may use their New Jersey net operating loss deductions against their allocated entire net income that is subject to federal corporate income taxation. Enter the amount of net operating loss deduction from Form 500S.

Line 5 – Taxable Net Income subject to federal corporate income taxation

Subtract line 4 from line 3 and also enter the result on page 1, line 1.

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 federal Form 1125-A of the federal pro forma or federal return, whichever is applicable. Include Form 1125-A with the return.

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 page 15 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 the "Other" line in the appropriate section of Schedule A-3.

FYI

Taxpayers must include the appropriate credit form in the year the credit was earned even if they are not claiming the credit on their tax return.

Part I – Tax Credits Used Against Liability

The total on line 30 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 6 must equal the amount reported on page 1, line 8c.

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.

Schedule A-GR

NEW FOR 2023 Schedule A-GR has been discontinued. All taxpayers must complete Schedule J.

Schedule B

Balance Sheet

Every taxpayer must complete this schedule. 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 pro forma or 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 F

Corporate Officers – General Information and Compensation

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

Schedule G

NEW FOR 2023 Schedule G has been discontinued.

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 12 (Taxes), line 19 (Other deductions) or anywhere else on Schedule A.

Schedule J

Computation of Allocation Factor

NEW FOR 2023 All taxpayers must complete this schedule.

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 non-unitary partnership income, see Schedule P-1.

Lines 1–5 – 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 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 New Jersey to a New Jersey location where the goods are picked up by a common carrier and transported to a customer outside 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.

Services are sourced based on market sourcing.

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 on the net gain recognized and not on 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.

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

GILTI is now treated as a dividend for New Jersey purposes and is reported on the dividends and other inclusions line (Schedule A, Part I, line 23b).

Line 8 – Allocation Factor

Divide line 6 (New Jersey based receipts) by line 7 (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 K**Shareholders' Shares of Income, Deductions, Etc.**

If the S corporation was completely liquidated during the tax year, see the instructions for Schedule K Liquidated.

Part I

Line 1 – Enter the total number of shareholders as of the closing date of this return.

Line 2 – Enter the total number of nonresident shareholders included on line 1 above.

Lines 3a and b – Enter the total number of nonconsenting shareholders included on line 1 and the percentage of stock owned as of the closing date of this return. This number must match the number reported on Schedule SJC. See Schedule SJC for more information.

Part II – New Jersey S Corporation Income (Loss)

Lines 2a–2l – Enter the amounts of income or loss as reported on the corresponding lines of your federal Form 1120-S, Schedule K.

On **line 2i**, report any gains or losses from the disposition of property in which a section 179 expense was claimed and passed through to the S corporation shareholders.

Lines 4a–4e Additions

Line 4a – Enter any State and municipal interest income that was not included in line 3. Do not include interest received or credited from obligations of the State of New Jersey or any of its political subdivisions.

Line 4b – Enter the total taxes paid or accrued to the United States, a state, a political subdivision thereof, or the District of Columbia on or measured by profits or income, or business presence or business activity, including income taxes paid or accrued by the corporation on behalf of, or in satisfaction of the liabilities of, the shareholders of the corporation, taken as a deduction on the CBT-100S, Schedule A and reflected in line 3, Part II of Schedule K.

Line 4c – Enter all interest on indebtedness incurred or continued, expenses paid and incurred to purchase, carry, manage or conserve, and expenses of collection of the income or gain from obligations the income or gain from which is deductible pursuant to N.J.S.A. 54A:6-14 and 6-14.1, and reflected in line 3, Part II of Schedule K.

Line 4d – Enter any losses reflected in line 3 that are not deductible for New Jersey Gross Income Tax purposes pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., losses from exempt federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

Lines 6a–g Subtractions

Line 6a – Enter any interest income reflected in line 3 that is not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., interest income on exempt federal obligations.

Line 6b – Enter any gains reflected in line 3 that are not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., gains or losses from exempt federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

Line 6c – I.R.C. Section 179 expenses from federal Schedule K.

Line 6d – 50% of business meal expenses and 100% of entertainment expenses not deductible for federal purposes.

Line 6e – Charitable contributions from federal Schedule K.

Line 6f – Include any expenses to generate federal tax-exempt income that is taxable for New Jersey Gross Income Tax purposes. Submit a schedule. Also include any other items that are excludable or deductible from S corporation income under the New Jersey Gross Income Tax Act.

Note: For tax years beginning on or after January 1, 2018, I.R.C. Section 199 has been repealed for federal purposes and no deduction is allowed for New Jersey purposes. For New Jersey Corporation Business Tax and Gross Income Tax purposes, the I.R.C. Section 199A is disallowed for tax years beginning on and after January 1, 2018.

Line 7 – For tax years beginning on or after January 1, 2004, if the federal special bonus depreciation allowance or I.R.C. Section 179 expense were deducted for assets placed in service on or after January 1, 2004, then a New Jersey depreciation adjustment is required. Use Gross Income Tax Depreciation Adjustment Worksheet, GIT-DEP, to calculate the depreciation adjustment for the assets' initial years and for subsequent years until property is fully depreciated or disposed of; for adjustments to federal Section 179 recapture income; and for adjustments to the gain or loss from disposition of such assets. Enter the results on this line. Worksheet GIT-DEP is available on the Division's [website](#).

Part III – Allocation of S Corporation Income (Loss)

Line 1a – If you have completed Schedule O, Nonoperational Activity, enter the amount reported on Part I, line 34, of Schedule O. If you have not completed Schedule O, enter zero on this line. If the nonoperational income has already been deducted from line 1 via adjustments made in Part II, make no adjustments on this line.

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

Line 5 – If you have completed Schedule O, Nonoperational Activity, enter the amount reported on Part III, line 31, column C, Total Allocated New Jersey Portion. If you have not completed Schedule O, enter a zero on this line.

Line 7 – Subtract page 1, line 3 from page 1, line 2a. If the result is less than zero, enter zero. Do not enter a negative number.

Part IV-A – Analysis of New Jersey Accumulated Adjustments Account (AAA)

This account reflects New Jersey S corporation earnings.

Note: If applicable, the allocation percentage from Schedule K, Part III, line 3 should be used for all allocated amounts indicated below.

Column A – New Jersey AAA, includes:

- **Resident** – All items of income, loss, reduction, or distribution regardless of where it is generated (include both allocated and non-allocated amounts). Allocated and non-allocated amounts refer to the corporation's New Jersey allocation factor.
- **Nonresident** – Items of income, loss, reduction, or distribution generated from New Jersey sources (include allocated amounts only).

Column B – Non-New Jersey AAA, includes:

- **Resident** – No items.
- **Nonresident** – Items of income, loss, reduction, or distribution generated from non-New Jersey sources (include non-allocated amounts only).

Line 1 – Enter the prior year ending balance of the New Jersey Accumulated Adjustments Account (AAA). For the first year as a New Jersey S corporation, the beginning balance of the New Jersey AAA account will be zero.

Line 2 – Enter the net pro rata share of **allocated** and **non-allocated** S corporation income or loss for resident shareholders and the net pro rata share of allocated S corporation income for nonresident shareholders.

Line 3 – Enter the total of the **allocated** and **non-allocated** tax-exempt income or loss for resident shareholders and the allocated tax-exempt income or loss for nonresident shareholders.

Line 4 – Enter the total of the **allocated** and **non-allocated** other reduction(s) for resident shareholders and the **allocated** other reduction(s) for nonresident shareholders. Other reductions include taxes based on income paid by the S corporation (the taxes added back on Schedule K, Part II, line 4b), health or life insurance paid by the S corporation, fines and penalties paid by the S corporation, and club dues paid by the S corporation. Also, other reductions should include any other adjustments for expenses that are nondeductible for federal income tax purposes in determining income but must be taken into consideration in calculating the ending balance of AAA in the year the expenses are incurred or paid, and are not already included in Schedule K, Part II. Provide a schedule detailing other reductions.

Line 5 – Enter the total of lines 1, 2, 3, and 4.

Line 6 – Enter the total of the **allocated** and **non-allocated** distribution(s) for the resident shareholder and the allocated distribution(s) for the nonresident shareholder. Federal rules governing distributions must be followed.

Part IV-B – New Jersey Earnings and Profits Account

This account reflects New Jersey C corporation earnings.

Line 1 – Enter the beginning balance of the New Jersey E & P account. For the first year as a New Jersey S corporation, the beginning balance of the earnings and profits account will be

the retained earnings of the corporation prior to becoming an S corporation. If the retained earnings of the corporation prior to becoming an S corporation is a negative amount, enter zero.

Line 2 – Enter any additions or adjustments that must be made for federal income tax purposes.

Line 3 – Enter any dividends paid during the tax year from the earnings and profits account. See instructions for Part IV-A, line 6.

Parts V, VI, and VII

Complete Parts V, VI, and VII including shareholders' full names and Social Security numbers. List **all** shareholders in the S corporation receiving either a federal or New Jersey K-1. If additional space is required, include separate schedules in the exact format for the additional shareholders.

Part V – For resident shareholders, indicate their pro rata share of S corporation income/loss from all sources in column C, and the actual total amount of distributions, whether in cash and/or property, in column D.

Complete column E only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column E each shareholder's share of the amount from Form 329, Part I, line 13.

Part VI – For consenting nonresident shareholders, indicate the income/loss allocated to New Jersey in column C, and the income/loss not allocated to New Jersey in column D and the **actual** total amount of distributions, whether in cash and/or property, in column E.

Complete column F only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column F each shareholder's share of the amount from Form 329, Part I, line 13.

Part VII – For nonconsenting shareholders, indicate the income/loss allocated to New Jersey in column C and the income/loss not allocated to New Jersey in column D. Enter on page 1, lines 10 and 11 of the CBT-100S, the totals reported from Part VII, column C, the income allocated to New Jersey, and column F, Gross Income Tax Paid, respectively. If the income allocated to New Jersey is a loss, enter a zero (0) on lines 10 and 11 on page 1 of the CBT-100S.

Complete column G only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column G each shareholder's share of the amount from Form 329, Part I, line 13.

Schedule K Liquidated

Shareholders' Shares of Income, Deductions, Etc.

Special Instructions for S corporations completely liquidated during the tax year – Under N.J.A.C. 18:35-1.5(k)2, a complete liquidation of an S corporation is deemed to occur in the tax year when all of the S corporation's assets have been sold or deemed to have been sold, exchanged, disposed, or distributed and all of the S corporation's stock has been sold, exchanged, or disposed. If both of these criteria are met and the S corporation was completely liquidated during the tax year, Schedule K Liquidated must be prepared instead of Schedule K.

Column A – S Corporation Income, Gains, Losses Prior to Disposition of Assets: List in column A the income, gains, losses, and New Jersey adjustments from and applicable to the S corporation's operations, activities, and transactions prior to the complete sale, exchange, or other disposition of all of the S corporation's assets. The total will be reported on the shareholders' Schedule NJ-K-1 as "Pro rata share of S corporation income/loss."

Column B – Income, Gains, Losses from Disposition of Corporate Assets: List in column B the income, gains, losses, and New Jersey adjustments derived from and applicable to the S corporation's complete sale, deemed sale, exchange, distribution, or other disposition of all of its assets. The total will be reported on the shareholders' Schedule NJ-K-1 as "Total gain/loss from the disposition of assets."

Part I

Line 1 – Enter the total number of shareholders as of the closing date of this return.

Line 2 – Enter the total number of nonresident shareholders included on line 1 above.

Lines 3a and 3b – Enter the total number of nonconsenting shareholders included on line 1 and the percentage of stock owned as of the closing date of this return. This number must match the number reported on Schedule SJC. See Schedule SJC for more information.

Line 4 – Enter the date the assets were fully disposed.

Line 5 – Enter the date the shareholders' stock was fully disposed.

Part II – New Jersey S Corporation Income (Loss)

Lines 2a–2e, 2h, 2k, and 2l – Enter the amounts of income or loss as reported on the corresponding lines of your federal Form 1120-S, Schedule K.

Lines 2f, 2g, 2i, and 2j – In column A, enter the amounts applicable to operations and transactions prior to the complete disposition of corporate assets. In column B, enter the amounts applicable to the complete disposition of corporate assets.

On **line 2i** report any gains or losses from the disposition of property in which a section 179 expense was claimed and passed through to the S corporation shareholders.

Lines 4a–4e Additions

Line 4a – Enter any State and municipal interest income that was not included in line 3. Do not include interest received or credited from obligations of the State of New Jersey or any of its political subdivisions.

Line 4b – Enter the total taxes paid or accrued to the United States, a state, a political subdivision thereof, or the District of Columbia on or measured by profits or income, or business presence or business activity, including income taxes paid or accrued by the corporation on behalf of, or in satisfaction of the liabilities of, the shareholders of the corporation, taken as a deduction on the CBT-100S, Schedule A and reflected in line 3, Part II of Schedule K Liquidated.

Line 4c – Enter all interest on indebtedness incurred or continued, expenses paid and incurred to purchase, carry, manage or conserve, and expenses of collection of the income or gain from obligations the income or gain from which is deductible pursuant

to N.J.S.A. 54A:6-14 and 6-14.1, and reflected in line 3, Part II of Schedule K Liquidated.

Line 4d – Enter any losses reflected in line 3 that are not deductible for New Jersey Gross Income Tax purposes pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., losses from exempt federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

Line 4e – In column A, enter the amounts applicable to operations and transactions prior to the complete disposition of corporate assets. In column B, enter the amounts applicable to the complete disposition of corporate assets.

Lines 6a–6f Subtractions

Line 6a – Enter any interest income reflected in line 3 that is not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., interest income on exempt federal obligations.

Line 6b – Enter any gains reflected in line 3 that are not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e., gains or losses from exempt federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

Line 6c – I.R.C. Section 179 expenses from federal Schedule K.

Line 6d – 50% of business meal expenses and 100% of entertainment expenses not deductible for federal purposes.

Line 6e – Charitable contributions from federal Schedule K.

Line 6f – In column A, enter the amounts applicable to operations and transactions prior to the complete disposition of corporate assets. In column B, enter the amounts applicable to the complete disposition of corporate assets. Include any other items that are excludable or deductible from S corporation income under the New Jersey Gross Income Tax Act.

Note: For tax years beginning on or after January 1, 2018, I.R.C. Section 199 has been repealed for federal purposes and no deduction is allowed for New Jersey purposes. For New Jersey Corporation Business Tax and Gross Income Tax purposes, the I.R.C. Section 199A is disallowed for tax years beginning on and after January 1, 2018.

Line 7 – For tax years beginning on or after January 1, 2004, if the federal special bonus depreciation allowance or I.R.C. Section 179 expense were deducted for assets placed in service on or after January 1, 2004, then a New Jersey depreciation adjustment is required. Use Gross Income Tax Depreciation Adjustment Worksheet, GIT-DEP, to calculate the depreciation adjustment for the assets' initial years and for subsequent years until property is fully depreciated or disposed of; for adjustments to federal Section 179 recapture income; and for adjustments to the gain or loss from disposition of such assets. Enter the results on this line. This worksheet is available on the Division's [website](#).

Part III – Allocation of S Corporation Income (Loss)

Line 1a – If you have completed Schedule O, Nonoperational Activity, enter the amount reported on Part I, line 34, of Schedule O. If you have not completed Schedule O, enter zero on this line. If the nonoperational income has already been deducted from line 1 via adjustments made in Part II, make no adjustments on this line.

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

Line 5 – If you have completed Schedule O, Nonoperational Activity, enter the amount reported on Part III, line 31, column C, Total Allocated New Jersey Portion. If you have not completed Schedule O, enter zero on this line.

Line 7 – Subtract page 1, line 3 from page 1, line 2a. If the result is less than zero, enter zero. Do not enter a negative number.

Part IV-A – Analysis of New Jersey Accumulated Adjustments Account (AAA)

This account reflects New Jersey S corporation earnings.

Note: If applicable, the allocation percentage from Schedule K Liquidated, Part III, line 3 should be used for all allocated amounts indicated below.

Column A – New Jersey AAA, includes:

- **Resident** – All items of income, loss, reduction, or distribution regardless of where it is generated (include both allocated and non-allocated amounts). Allocated and non-allocated amounts refer to the corporation's New Jersey allocation factor.
- **Nonresident** – Items of income, loss, reduction, or distribution generated from New Jersey sources (include allocated amounts only).

Column B – Non-New Jersey AAA, includes:

- **Resident** – No items.
- **Nonresident** – Items of income, loss, reduction, or distribution generated from non-New Jersey sources (include non-allocated amounts only).

Line 1 – Enter the prior year ending balance of the New Jersey Accumulated Adjustments Account (AAA). For the first year as a New Jersey S corporation, the beginning balance of the New Jersey AAA account will be zero.

Line 2 – Enter the net pro rata share of allocated and non-allocated S corporation income or loss for resident shareholders and the net pro rata share of allocated S corporation income for nonresident shareholders.

Line 3 – Enter the total of the allocated and non-allocated tax-exempt income or loss for resident shareholders and the allocated tax-exempt income or loss for nonresident shareholders.

Line 4 – Enter the total of the allocated and non-allocated other reduction(s) for resident shareholders and the allocated other reduction(s) for nonresident shareholders. Other reductions include taxes based on income paid by the S corporation (the taxes added back on Schedule K Liquidated, Part II, line 4b), health or life insurance paid by the S corporation, fines and penalties paid by the S corporation, and club dues paid by the S corporation. Also, other reductions should include any other adjustments for expenses that are nondeductible for federal income tax purposes in determining income but must be taken into consideration in calculating the ending balance of AAA in the year the expenses are incurred or paid, and are not already included in Schedule K Liquidated, Part II. Provide a schedule detailing other reductions.

Line 5 – Enter the total of lines 1, 2, 3, and 4.

Line 6 – Enter the total of the allocated and non-allocated distribution(s) for the resident shareholder and the allocated distribution(s) for the nonresident shareholder. Federal rules governing distributions must be followed.

Part IV-B – New Jersey Earnings and Profits Account

This account reflects New Jersey C corporation earnings.

Line 1 – Enter the beginning balance of the New Jersey E&P account. For the first year as a New Jersey S corporation, the beginning balance of the earnings and profits account will be the retained earnings of the corporation prior becoming an S corporation. If the retained earnings of the corporation prior to becoming an S corporation is a negative amount, enter zero.

Line 2 – Enter any additions or adjustments that must be made for federal income tax purposes.

Line 3 – Enter any dividends paid during the tax year from the earnings and profits account. See instructions for Part IV-A, line 6.

Parts V, VI, and VII

Complete Parts V, VI, and VII including shareholders' full names and Social Security numbers. List **all** shareholders in the S corporation receiving either a federal or New Jersey K-1. If additional space is required, include separate schedules in the exact format for the additional shareholders.

Determine each shareholder's Pro Rata Share of Income/Loss based on Schedule K Liquidated, Part III, column A, lines 6 and 7. Determine each shareholder's Gain/Loss on Disposition of Assets based on Schedule K Liquidated, Part III, column B, lines 6 and 7.

Part V – For resident shareholders, indicate their pro rata share of S corporation income/loss from all sources in column C. Enter the gain/loss on disposition of assets from all sources in column D. Enter the actual total amount of distributions (prior to and including liquidating), whether in cash and/or property, in column E.

Complete column F only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column F each shareholder's share of the amount from Form 329, Part I, line 13.

Part VI – For consenting nonresident shareholders, indicate the income/loss allocated to New Jersey in column C and the income/loss not allocated to New Jersey in column D. Enter the gain/loss on disposition of assets allocated to New Jersey in column E and the gain/loss on disposition of assets not allocated to New Jersey in column F. Enter the actual total amount of distributions (prior to and including liquidating), whether in cash and/or property, in column G.

Complete column H only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column H each shareholder's share of the amount from Form 329, Part I, line 13.

Part VII – For nonconsenting shareholders, indicate the income/loss allocated to New Jersey in column C and the income/loss not allocated to New Jersey in column D. Enter the gain/loss on disposition of assets allocated to New Jersey in column E and

the gain/loss on disposition of assets not allocated to New Jersey in column F. Combine the totals of column C and column E and enter on page 1, line 10 of the CBT-100S. Enter the total of column H, Gross Income Tax Paid, on line 11. If the income allocated to New Jersey is a loss, enter a zero (0) on lines 10 and 11 of the CBT-100S.

Complete column I only if all shareholders are individuals, estates, or trusts. If you indicate on Form 329, Part I, line 13 that the Share of Pass-Through Business Alternative Income Tax will be allocated to the shareholders, enter in column I each shareholder's share of the amount from Form 329, Part I, line 13.

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, dentists, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, veterinarians and, subject to the Rules of the Supreme Court, attorneys at law.

Note: Licenses acquired through vocational training and/or apprenticeships within those trades are not considered licensed professionals. Examples include plumbers, electricians, HVAC technicians, cosmetologists, fire and burglar alarm services, acupuncturists, hair stylists, elevator, escalator, and moving walkway mechanics, locksmiths, and court reporters.

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 non-resident 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-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 8b. Include a copy of Schedule NJK-1 from Form NJ-1065 if the partnership is filing in New Jersey, or the federal Schedule K-1 if not. 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 P

NEW FOR 2023 Schedule P has been discontinued.

Schedule R

Dividend Exclusion

NEW FOR 2023 P.L. 2023, c.96, made a series of technical corrections, clarifications, and changes that affect Schedule R.

- For privilege periods ending on and after July 31, 2023, the dividend exclusion is a pre-allocation exclusion.
- The historic ordering limitation (preventing the dividend exclusion from increasing net operating losses) is no longer applicable. However, the change in historic ordering is prospective only. Taxpayers cannot adjust NOLs and PNOLs from privilege periods ending before July 31, 2023, using the law change from P.L. 2023, c.96.
- GILTI is now treated as a dividend for New Jersey purposes and is reported on Schedule A, Part I, line 23b.
- The maximum dividend exclusion increased from 95% to 100% from qualified subsidiaries if such dividends were included in the taxpayer's gross income on Schedule A. However, a claw-back provision that requires a 5% reduction of the exclusion amount has been added (see N.J.S.A. 54:10A-4(k)(5)(F)(ii)).

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

- Money market fund or REIT income;
- 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 line 38a of Schedule A, Part I.

Dividends and deemed dividends from all sources must be included in Schedule A. However, taxpayers may exclude from entire net income 100% of dividends from qualified subsidiaries, less the 5% clawback, if such dividends were included in the taxpayer's gross income on 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, less the 5% clawback, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock.

Any subsidiary that is owned less than 50% is not entitled to a dividend exclusion.

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.

The tiered dividend exclusion from certain subsidiaries is calculated separately on Form 332. See Form 332 for more information. The 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.

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. The 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 had 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 7 – Enter the amount reported on the federal Form 4562.

Line 8 – Enter the amount of current depreciation on property placed in service in prior years carried over into the current period.

Line 9 – Enter the amount from Depreciation Worksheet I, line 10, column F.

Line 11 – IRC § 179 limitation. Enter the lesser of line 1 or \$25,000.

Line 12 – Enter the amount from Worksheet II, line 16, column F. If the amount is positive, add it to the total reported on line 15. If it is negative, subtract it from the total.

Line 13 – Enter any adjustment to depreciation that is an addition. This can include, but is not limited to, partnership activity.

Line 14 – Enter any adjustment to depreciation that is a deduction. This can include, but is not limited to, partnership activity.

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 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 15 on Schedule S, Part II, line 6b, not Schedule A, Part I, line 36a or 36b.

Worksheet I

Column A – Sort the property you acquired and placed in service during the tax year 2023 according to its classification (3-year property, 5-year property, etc.) as shown in column A.

Column B – Use the federal basis adding back the special depreciation reduction.

Column C – Enter the bonus depreciation claimed (50% or 30%). If both categories of bonus depreciation are claimed, provide a rider detailing the assets that used 50% and the assets that used 30%.

Column D – Enter the convention that was used for federal purposes. The applicable conventions are Half-Year Convention, Mid-Quarter Convention, or the Mid-Month Convention.

Column E – Enter the method that was selected for federal purposes. The applicable methods are 200% declining balance, 150% declining balance, or straight-line.

Column F – Enter the amount of federal depreciation claimed on federal Form 4562.

Column G – To determine the New Jersey depreciation, multiply column B by the applicable rate from the appropriate table (See IRS Pub. 946 for complete tables). Enter the total on Schedule S, Part I, line 9.

Worksheet II

Column D – Enter the federal depreciation claimed up to the date the property was sold.

Column E – Enter the New Jersey depreciation claimed up to the date the property was sold.

Column F – Enter the difference between column D and column E. If the amount is positive, there is an excess of depreciation that must be added to the federal amount claimed on Part I, line 7. If the amount is negative, there is a deficiency that must be deducted from Part I, line 7.

Schedule SJC

Shareholder Jurisdictional Consent

Initial information. Complete Part I if this information has not been previously reported.

Changes to previously reported information. Complete Part II if you need to make changes to previously reported information. See [TB-105](#) and *Answers to Frequently Asked Questions on the New Jersey S Corporation Procedural Changes*.

Note: Any business that filed for and was granted either a New Jersey S or QSSS election (prior to 2023) meets the requirement for having previously provided the federal acceptance letter.

Schedule NJ-K-1

Shareholder's Share of Income/Loss

A copy of each shareholder's Schedule NJ-K-1 must be included with the CBT-100S. A copy of each NJ-K-1 must be kept as part of the corporation's records, and a separate copy must be supplied to each individual shareholder on or before the date on which the CBT-100S is to be filed. The instructions for this schedule can be found on the reverse side of the form.

Form NJ-1040-SC

Payment on Behalf of Nonconsenting Shareholders

A copy of each NJ-1040-SC filed by the corporation on behalf of any nonconsenting shareholder must be included with the CBT-100S. A copy must be retained by the corporation as part of its records, and a copy must also be supplied to the shareholder on whose behalf the NJ-1040-SC was filed on or before the due date of the CBT-100S. The instructions for this form can be found on the reverse side of the form.

Form 500S

Computation of the Available Converted Net Operating Losses

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.

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.

Part I – Net Operating Loss Carryovers Generated as a C Corporation

Line 1 – Enter the total Prior Net Operating Loss Conversion Carryover (PNOL) generated as a C corporation (for New Jersey Corporation Business Tax purposes).

Line 2 – Enter the total Post Allocation Net Operating Loss Carryover (NOL) generated as a C corporation (for New Jersey Corporation Business Tax purposes).

Line 3 – Enter the total NOL that is available. Add line 1 and line 2. This is the amount that will be entered on Schedule A, Part I, line 42 and Schedule A, Part II, line 4.

Part II – Available Net Operating Loss Deductions

Line 1 – Enter the amount reported on Schedule A, Part I, line 42.

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 amount reported on Schedule A, Part II, line 4.

Line 3 – Add line 1 and line 2. This is the total amount of NOL used in the current year. The amount can only be generated while the taxpayer was a C corporation (for New Jersey Corporation Business Tax purposes) or part of a combined group filing a combined return for New Jersey purposes. It cannot exceed the total of the amounts reported on Schedule A, Part I, line 41 and Schedule A, Part II, line 3.

Any taxpayer claiming an NOL deduction must submit the last Net Operating Loss Schedule/Worksheet prior to conversion to S Corporation (from CBT-100 or CBT-100U).

Additional Forms and Instructions

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

- Schedule N: Nexus – Immune Activity Declaration and the Nexus Questionnaire
- Schedule O: Nonoperational Activity
- Schedule PT: Dividend Exclusion for Certain Previously Taxed Dividends
- 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 Energy Facility 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 326: Drug Donation Program 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
- Form 334: Innovation Evergreen Fund Tax Credit
- Form 335: Unit Concrete Products Tax Credit