

**FORM 304**  
(12-19)  
**2019**

**NEW JERSEY CORPORATION BUSINESS TAX**  
**NEW JOBS INVESTMENT TAX CREDIT**

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

**RETURN FILING METHOD**

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

**PART I QUALIFICATIONS**

1. Has the taxpayer invested in property purchased for new or expanded business facilities that created at least 5 new jobs in New Jersey for small or mid-sized business taxpayers (50 for other taxpayers) with median income of at least \$44,450 for tax years beginning in 2014, or \$45,100 for tax years beginning in 2015, or \$44,800 for tax years beginning in 2016, or \$45,350 for tax years beginning in 2017, or \$46,350 for tax years beginning in 2018, or \$47,400 for tax years beginning in 2019 .....  YES  NO
2. Has the average book value of all real and tangible personal property in New Jersey of the taxpayer increased over the prior tax year?.....  YES  NO
3. Is the average employment of the taxpayer in New Jersey in the first tax year of the tax credit greater than that of the prior tax year?.....  YES  NO

**NOTE:** If the answer to any of the above questions is “NO,” do not complete the rest of this form. The taxpayer does **not** qualify for this tax credit. Otherwise, go to Part II.

**PART II CALCULATION OF THE NEW JOBS INVESTMENT TAX CREDIT**

**Note:** All items pertain only to New Jersey factors. Refer to the specific line item instructions for Part II before completing this section.

4. Enter the amounts of the qualified investments made during the current tax year:		
(a) 3-year life _____ x 0.35.....	4a.	
(b) 5-year life _____ x 0.70.....	4b.	
(c) 7-year or more life _____ x 1.00.....	4c.	
5. Add lines 4a through 4c.....	5.	
6. (a) Enter the average New Jersey employment for this tax year.....	6a.	
(b) Enter the average New Jersey employment for last tax year.....	6b.	
(c) Subtract line 6b from line 6a.....	6c.	
(d) Divide line 6a by 2.....	6d.	
(e) Enter the number of eligible new jobs. (see instruction) .....	6e.	
(f) Enter the lesser of lines 6c, 6d, or 6e.....	6f.	
7. New Jobs Factor (see instruction):		
(a) Small or mid-sized business taxpayers divide line 6(f) by 5 with no remainder. Other taxpayers divide line 6f by 50 with no remainder.....	7a.	
(b) For small or mid-sized business taxpayers, multiply line 7a by 0.01. For other taxpayers, multiply line 7a by 0.005.....	7b.	
(c) For small or mid-sized business taxpayers, enter the lesser of 0.20 or line 7b. For other taxpayers, enter the lesser of 0.10 or line 7b.....	7c.	
8. Maximum annual credit – Multiply line 5 x line 7c x 0.20.....	8.	
9. Prior year qualified investment (see instruction) Enter the maximum annual credit as determined on line 8 of this form for:		
(a) First prior tax year .....	9a.	
(b) Second prior tax year .....	9b.	
(c) Third prior tax year .....	9c.	
(d) Fourth prior tax year.....	9d.	
10. Total annual credit – Add line 8 and lines 9(a) through (d).....	10.	

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**PART III CALCULATION OF THE ALLOWABLE CREDIT AMOUNT**

11. Compensation of all employees in New Jersey attributable to the qualified investment .....	11.	
12. Total compensation of all employees in New Jersey .....	12.	
13. Divide line 11 by line 12 .....	13.	
14. Enter tax liability from page 1, line 2 of CBT-100, CBT-100S, or BFC-1, or the member's column of Schedule A, Part III, line 5 of CBT-100U .....		
15. Multiply line 14 by line 13 .....	15.	
16. Enter the required minimum tax liability as indicated in instruction (c) for Part III .....	16.	
17. Subtract line 16 from line 15 .....	17.	
18. Enter 50% of the reduced tax liability entered on line 15 .....	18.	
19. Enter the lesser of line 17 or line 18 .....	19.	
20. Tax credits used by taxpayer on current year's return:		
(a) _____		
(b) _____		
(c) _____		
(d) _____ Total	20.	
21. Subtract line 20 from line 19. If zero or less, enter zero .....	21.	
22. Allowable credit for the current tax period. Enter the lesser of line 10 or line 21 here and on Part I, Schedule A-3 of the CBT-100, CBT-100U, CBT-100S, or BFC-1 .....	22.	
23. (a) Unused credit available for refund/sharing. Subtract line 22 from line 10 .....	23a.	
<b>Combined return filers, see Part IV before continuing.</b>		
(b) Amount of credit shared in current year from Part IV line 35, if applicable .....	23b.	
(c) Amount of credit available to be refunded (subtract line 23b from line 23a). Enter here and on Part II, Schedule A-3 of the CBT-100, CBT-100U, CBT-100S, or BFC-1 .....	23c.	
24. Property taxes attributable to qualified investment: (See instruction (e) for Part III)		
(a) Property tax paid on new property <b>or</b> Total N.J. property tax paid _____ multiplied by line 13 .....	24a.	
(b) Imputed property tax on new property (15% of rent) _____ <b>or</b> Imputed property tax on all rented property in N.J. (15% of rent) _____ multiplied by line 13 .....	24b.	
(c) Add lines 24a and 24b .....	24c.	
25. Enter 50% (.50) of line 24c .....	25.	
26. Refund request. Enter the lesser of line 23c or line 25 .....	26.	

**NOTE:** There is no carryover provision for this tax credit.

**PART IV COMBINED RETURN FILERS SHARING CREDIT**

27. Amount of New Jobs Investment Tax Credit <b>being shared</b> and FEIN of the taxable member of the combined group with which it is being shared (see instructions): .....		
Name _____ Federal ID Number _____	27.	
28. Enter the tax liability of member with which the credit is being shared from Schedule A, Part III, line 5 of CBT-100U .....	28.	
29. Minimum tax liability .....	29.	2,000
30. Subtract line 29 from line 28 .....	30.	
31. Enter 50% of the tax liability reported on line 28 .....	31.	
32. Enter the lesser of line 30 or line 31 .....	32.	
33. Tax credits used by this taxpayer on current year's return:		
(a) _____		
(b) _____		
(c) _____		
(d) _____ Total	33.	
34. Subtract line 33 from line 32. If zero or less, enter zero .....	34.	
35. Allowable credit shared with this taxable member. Enter the lesser of line 27 or line 34 here and on Part III, line 23b and CBT-100U, Schedule A-3, Part I for the member receiving the shared amount .....	35.	

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**PART V CERTIFICATION**

The following certifications are required in accordance with N.J.S.A. 54:10A-5.9 of the New Jobs Investment Tax Credit Act.

1. For qualified investments made during the current tax year, the taxpayer certifies that the number of new jobs reported on line 6(e) of Part II, is a reasonable estimate of the number of new jobs directly attributable to the qualified investment; and
2. For qualified investments made in prior years for which a New Jobs Investment Tax Credit was claimed, the taxpayer certifies:
  - (a) The new jobs factor for:
 

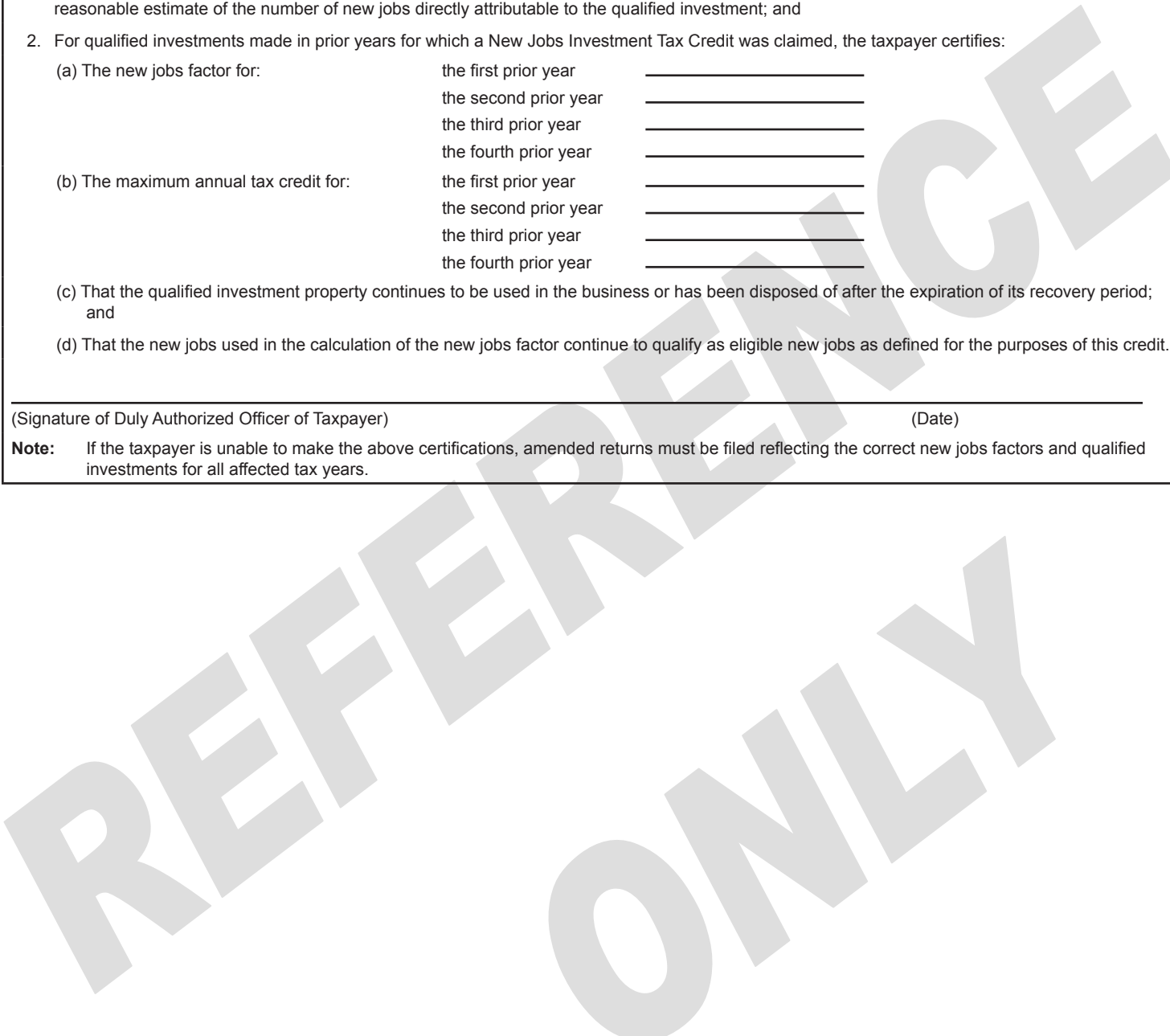
the first prior year	_____
the second prior year	_____
the third prior year	_____
the fourth prior year	_____
  - (b) The maximum annual tax credit for:
 

the first prior year	_____
the second prior year	_____
the third prior year	_____
the fourth prior year	_____
  - (c) That the qualified investment property continues to be used in the business or has been disposed of after the expiration of its recovery period; and
  - (d) That the new jobs used in the calculation of the new jobs factor continue to qualify as eligible new jobs as defined for the purposes of this credit.

\_\_\_\_\_  
(Signature of Duly Authorized Officer of Taxpayer)

\_\_\_\_\_  
(Date)

**Note:** If the taxpayer is unable to make the above certifications, amended returns must be filed reflecting the correct new jobs factors and qualified investments for all affected tax years.



## Instructions for Form 304 New Jobs Investment Tax Credit

The New Jobs Investment Tax Credit is available for investment in new or expanded business facilities that create new jobs in New Jersey. Investments that qualify for this tax credit must be placed in service or use during tax years beginning after July 7, 1993. The investment must create at least 5 new jobs (50 new jobs for large businesses) with a median annual compensation of the threshold amount established for the particular tax year. Also, to claim this tax credit, the average book value of all real and tangible personal property in New Jersey must have increased over the prior year.

The New Jobs Investment Tax Credit is taken in five equal annual installments. The annual credit cannot exceed 50% of that portion of the Corporation Business Tax liability that is attributable to and the direct result of the taxpayer's qualified investment and cannot reduce the tax liability below the statutory minimum. Although there is no carryover provision for this tax credit, the amount of the unused annual credit may be refunded to the taxpayer subject to certain limitations. Part III of Form 304 is used to determine the allowable credit amount as well as any potential refund amount.

**1. Expanded Business Facility** means any business facility, other than a new business facility, resulting from acquisition, construction, reconstruction, installation, or erection of improvements or additions to existing property if such improvements or additions are purchased during tax years beginning after July 7, 1993, but only to the extent of a taxpayer's qualified investment in such improvements or additions.

**2. New Business Facility** means a business facility that:

- a) Is employed by a taxpayer in the conduct of a business that is subject to the New Jersey Corporation Business Tax Act, N.J.S.A. 54:10A-1 et seq. A business facility does not qualify if the taxpayer's only activity with respect to such facility is to lease it to another person.
- b) Is purchased and placed in service or use during tax years beginning after July 7, 1993;
- c) Was not purchased by a taxpayer from a related person;
- d) Was not in service or use during the 90-day period immediately prior to transfer of the title to the facility.

**3. New Employee** means a New Jersey resident, hired to fill a regular, permanent position that did not exist prior to the qualified investment, and would not exist but for the qualified investment. The employee must be unrelated to the taxpayer and must not have been in its employ during the six months prior to the date that the qualified investment is placed in service or use. Temporary or seasonal employees are not considered new employees for the purposes of this tax credit. The position held by the employee may be full time or part time. Full time means employment for at least 140 hours per month at a wage not less than the State or federal minimum wage. Part time means customarily performing such duties at least 20 hours per week for at least six months during the tax year. The hours of part-time employees shall be aggregated to determine the number of full-time equivalent jobs for the purposes of determining the number of eligible new jobs to be used in the computation of the new jobs factor. The taxpayer cannot claim a credit for the number of new employees that exceeds either the increase in the taxpayer's average employment in New Jersey for the tax year, or one-half of the taxpayer's average employment in New Jersey for the tax year. Also, individuals included in the determination of the Urban Enterprise Zone Employees Tax Credit or the Redevelopment Authority Project Tax Credit must be excluded in the determination of this tax credit.

**4. Qualified Investments** are those real and tangible personal property investments purchased for business relocation or expansion in New Jersey. Such investments **shall include only:**

- 1. Improvements to real property placed in service or use during tax years beginning after July 7, 1993;

- 2. Tangible personal property with respect to which depreciation with a recovery period of three or more years is allowable;
- 3. Tangible personal property moved by the taxpayer into New Jersey provided that the property has a remaining recovery period of three or more years.

Examples of qualified investments **may not include:**

- 1. Property with respect to which the taxpayer's only activity is to lease it to another person;
  - 2. Repair costs, including materials used in the repair, unless for federal income tax purposes, the cost of the repair must be capitalized and not expensed;
  - 3. Airplanes;
  - 4. Property primarily used outside New Jersey;
  - 5. Property that is acquired incident to the purchase of the stock or assets of the seller;
  - 6. Property for which the cost or consideration cannot be quantified with any reasonable degree of accuracy at the time such property is placed in service or use.
- 5. Small or Mid-Sized Business Taxpayer** means a taxpayer that has the following annual payroll and annual gross receipts amounts:

Tax Year Beginning In	Payroll	Gross Receipts
2014	\$6,599,500 or less	\$13,199,150 or less
2015	\$6,701,750 or less	\$13,403,650 or less
2016	\$6,660,800 or less	\$13,321,800 or less
2017	\$6,744,000 or less	\$13,488,200 or less
2018	\$6,899,800 or less	\$13,799,850 or less
2019	\$7,060,400 or less	\$14,121,100 or less

### 6. Aggregate Annual Credit

The aggregate annual credit allowed for a tax year is the sum of:

- 1) One-fifth of the annual credit amount calculated for prior tax years plus
- 2) One-fifth of the annual credit amount calculated for the current tax year.

This amount is calculated in Part II of Form 304.

### 7. Tax Credit Limitations

The New Jobs Investment Tax Credit is allowed as a credit against that portion of the taxpayer's Corporation Business Tax

liability for the tax year that is attributable to and the direct result of the taxpayer's qualified investment and shall not reduce the tax liability for the tax year to an amount less than the required statutory minimum.

If any amount of the aggregate annual credit remains after the above limitations are applied, that amount may be refunded to the taxpayer. The amount of the refund cannot exceed 50% of the sum of the property taxes paid in the tax year and the implicit property taxes paid through rent or lease payments that are attributable to and the direct result of the taxpayer's qualified investment. If the taxpayer is unable to ascertain these amounts, the attributable property tax amounts shall be determined by multiplying the total New Jersey property taxes paid by a fraction, the numerator of which is the compensation paid to New Jersey employees whose positions are directly attributable to the qualified investment. The denominator is all New Jersey compensation paid for the tax year. Lines 23 through 26 of Part III determine these amounts.

If any credit for the tax year remains, the amount shall be forfeited. There is no carryover provision for this tax credit.

### 8. Certification and Record Keeping

The taxpayer must certify for every year during the five-year period of the credit that the number of new jobs created is as reported on the current and prior year tax credit forms, and that the qualified investment property has not been disposed of prior to the end of its depreciable life.

The taxpayer must maintain sufficient records for each item of qualified property to establish:

- 1) Its identity;
- 2) Its actual or reasonably determined cost;
- 3) Its straight-line depreciation life;
- 4) The month and the tax year in which it was placed in service;
- 5) The amount of credit taken; and
- 6) The date it was disposed of or otherwise ceased to be qualified property.

### SPECIFIC INSTRUCTIONS FOR FORM 304

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

#### PART I

##### Qualifications

The taxpayer must meet the qualifications listed in Part I. If the answer to any of the questions is "no," the taxpayer does not qualify for the tax credit.

#### PART II

##### Calculation of the New Jobs Investment Tax Credit

**Line 4** – Classify property purchased by its depreciable life for federal tax purposes.

**Line 6(e)** – The number of eligible new jobs must reflect the number of new employees (see instruction 3) hired by the taxpayer during the tax year. To determine this number, the taxpayer should rank the new employees by annual compensation. If the middle employee's annual compensation is less than the required median compensation of \$47,400 for tax years beginning in 2019, then the lowest ranking jobs should be deleted from the list until the middle employee's annual compensation is at least the required median compensation amount. If there are an even number on the list, the top half must be greater than the required median compensation

amount. The final number of new employees on this list is the number of eligible new jobs to be reported on line 6(e), Part II.

**Line 7(a)** – Taxpayers who qualify as "small or mid-sized business taxpayers" as defined in instruction 5 must divide the amount on line 6(f) by 5. All other taxpayers must divide the amount on line 6(f) by 50.

**Line 9** – Report the maximum annual credit calculated for qualified investments made in prior tax years. The appropriate amount can be found on line 8 of the Form 304 that was filed for the particular tax year.

**Line 20** – 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 III

##### Calculation of the Allowable Credit Amount

- a) The total and allowable New Jobs Investment Tax Credit for the current year is calculated in Part III. The amount of this credit cannot exceed 50% of that portion of the Corporation Business Tax liability that is attributable to and the direct result of the taxpayer's qualified investment and cannot reduce the tax liability below the statutory minimum.
- b) **Line 11** – Include the compensation of employees attributable to all the qualified investments comprising the Aggregate Annual Credit on Part II, line 10.
- c) **Line 16** – The required minimum tax liability is as follows:

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

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

- d) **Lines 23 through 26** – If any unused credit remains after applying the limitations indicated in (a) above, the excess may be refunded to the taxpayer. The amount of the refund is calculated in this section.
- e) **Lines 24(a) and 24(b)** – Report the amount of property taxes paid and the amount of implicit property taxes paid through rent or lease payments that were attributable to and the direct result of the taxpayer's qualified investment. If the taxpayer is unable to ascertain these amounts, they shall be determined by multiplying the total amount of New Jersey property taxes paid and the total amount of implicit New Jersey property taxes paid by the fraction that was determined on line 13.
- f) The priorities set forth in this Corporation Business Tax form follow Regulation N.J.A.C. 18:7-3.17.

#### PART IV

##### Combined Return Filers Sharing Credit

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

members of the same combined group regardless of whether such taxable members were part of the same combined group when the tax credit was generated.

If the taxpayer shared the credit with another taxable member of the combined group, use this portion of the form to track the member with which the credit is being shared and calculate the allowable amount that can be shared.

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

## **PART V**

### **Certification**

This section must be completed for each tax year during the five-year credit period for a qualified investment. If the taxpayer is unable to make the certifications, amended returns must be filed reflecting the correct new jobs factors and qualified investments for all affected tax years.