FORM 304
(10-21)
2021

New Jersey Corporation Business Tax
New Jobs Investment Tax Credit

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable
		NU

Read the instructions before completing this form

Combined Return Filers

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

Part I 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, or $48,100 for tax years beginning in 2020.......................... ☐ 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**
(Combined return filers DO NOT complete Part III. Continue with Part IV.)

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	14.	
15. Multiply line 14 by line 13	15.	
16. Enter the required minimum tax liability (see instructions)	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. Other 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-100S, or BFC-1	22.	
23. Amount of credit available to be refunded (subtract line 22 from line 10).	23.	
24. Property taxes attributable to qualified investment (see instructions): (a) Property tax paid on new property **or** Total N.J. property tax paid ______ multiplied by line 13	24a.	
(b) Imputed property tax on new property (15% of rent) ______ **or** 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 23 or line 25. Enter here and in Part II, Schedule A-3 of the CBT-100, CBT-100S, or BFC-1	26.	

Note: There is no carryover provision for this tax credit.

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Part IV Calculation of Allowable Credit Amount – Combined Return Filers ONLY

Section A – ALL Combined Return Filers

27. Compensation of all the member's employees in New Jersey attributable to the qualified investment	27.	
28. Total compensation of all the member's employees in New Jersey	28.	
29. Divide line 27 by line 28	29.	
30. Enter the group tax liability from Schedule A, Part III, line 5 column (a) of CBT-100U	30.	
31. Multiply line 30 by line 29	31.	
32. Aggregate minimum tax of combined group members (see instructions)	32.	
33. Subtract line 32 from line 31	33.	
34. Enter 50% of the reduced tax liability entered on line 31	34.	
35. Enter the lesser of line 33 or line 34	35.	
36. Other tax credits used by combined group on current year's return (see instructions): (a) ______ ______ (b) ______ ______ (c) ______ ______ (d) ______ ______ Total	36.	
37. Subtract line 36 from line 35. If zero or less, enter zero	37.	
38. Allowable credit for the current tax period. Enter the lesser of line 10 or line line 37. **If sharing,** also enter in the member's column of Part I, Schedule A-3 of the CBT-100U	38.	

If SHARING credit, complete line 39–42.
If NOT sharing credit, skip line 39–42 and complete Section B.

39. Amount of credit available to be refunded (subtract line 38 from line 10).	39.	
40. Property taxes attributable to qualified investment (see instructions): (a) Property tax paid on new property **or** Total N.J. property tax paid ______ multiplied by line 29	40a.	
(b) Imputed property tax on new property (15% of rent) ______ **or** imputed property tax on all rented property in N.J. (15% of rent) ______ multiplied by line 29	40b.	
(c) Add lines 40a and 40b	40c.	
41. Enter 50% (.50) of line 40c	41.	
42. Refund request. Enter the lesser of line 39 or line 41 here and in Part II, Schedule A-3 of the CBT-100U	42.	

Section B – Combined Return Filers NOT Sharing Credit

43. a) Enter combined group tax liability from line 30	43a.			
b) Divide line 43a by the combined group allocation factor from Schedule J, line 9	43b.			
c) Member's share of combined group tax liability – Multiply line 43b by member's allocation factor from Schedule J, line 9			43c.	
44. Multiply line 43c by line 29			44.	
45. Enter the required minimum tax liability			45.	2,000
46. Subtract line 45 from line 44			46.	
47. Enter 50% of the reduced tax liability entered on line 44			47.	
48. Enter the lesser of line 46 or line 47			48.	
49. Other tax credits used by taxpayer on current year's return (see instructions): (a) ______ ______ (b) ______ ______ (c) ______ ______ (d) ______ ______ Total			49.	
50. Subtract line 49 from line 48. If zero or less, enter zero			50.	
51. Allowable credit for the current tax period. Enter the lesser of line 38 or line 50 here and in the member's column of Part I, Schedule A-3 of the CBT-100U			51.	
52. Amount of credit available to be refunded (subtract line 51 from line 10).			52.	
53. Property taxes attributable to qualified investment (see instructions): (a) Property tax paid on new property **or** Total N.J. property tax paid ______ multiplied by line 29			53a.	
(b) Imputed property tax on new property (15% of rent) ______ **or** imputed property tax on all rented property in N.J. (15% of rent) ______ multiplied by line 29			53b.	
(c) Add lines 53a and 53b			53c.	
54. Enter 50% (.50) of line 53c			54.	
55. Refund request. Enter the lesser of line 52 or line 54 here and in Part II, Schedule A-3 of the CBT-100U			55.	

Note: There is no carryover provision for this tax credit.

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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 6e 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.

Parts III and IV are used to calculate the allowable credit and carryover. Taxpayers filing Forms CBT-100, CBT-100S, or BFC-1 complete Part III and CBT-100U filers complete Part IV.

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.

Definitions

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.

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.

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.

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

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
2020	$7,166,600 or less	$14,333,500 or less
2021	$7,277,816 or less	$14,555,936 or less

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.

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.

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

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. All combined return filers must check the combined return filers box at the top of the form and complete Part IV, Section A.

Members Opting Not to Share. In general, tax credits are earned by a member of the combined group and are shareable with the combined group. However, members are not required to share their credits. See N.J.S.A. 54:10A-4.6.i and TB-90(R), *Tax Credits and Combined Returns.* In addition to Section A, members that choose not to share must also complete Part IV, Section B and fill in the oval at the top of the form to indicate they are not sharing 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 6e – The number of eligible new jobs must reflect the number of new employees (see definitions) 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 $48,100 for tax years beginning in 2020, 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 7a – Taxpayers who qualify as "small or mid-sized business taxpayers" (see definitions) 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.

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

For CBT-100, CBT-100S, and BFC-1 filers, the total and allowable New Jobs Investment Tax Credit for the current year is calculated in Part III. Combined return filers do not complete Part III, and must complete Part IV instead. 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.

Line 11 – Include the compensation of employees attributable to all the qualified investments comprising the Aggregate Annual Credit on Part II, line 10.

Line 16 – The required minimum tax liability is as follows:

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

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

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.

Lines 23 through 26 – If any unused credit remains after applying the limitations indicated above, the excess may be refunded to the taxpayer. The amount of the refund is calculated in this section.

Lines 24a and 24b – 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 will 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.

The priorities set forth in this Corporation Business Tax form follow N.J.A.C. 18:7-3.17.

Part IV – Calculation of the Allowable Credit Amount for Combined Return Filers

For CBT-100U filers, the total and allowable New Jobs Investment Tax Credit for the current year is calculated in Part IV. All combined return filers must complete Section A. Members that choose not to share their credit must also complete section B.

Section A – To be completed by ALL combined return filers
This section calculates the amount of credit allowable for the group. If a member chooses not to share their credit with the group, Section A must still be completed to ensure the credit allowed for the member does not exceed the amount that would otherwise be allowed against the group tax liability.

The amount of the credit calculated in this section cannot exceed 50% of the portion of the group tax liability that is attributable to and the direct result of the member's qualified investment and cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

Line 27 – Include the compensation of employees attributable to all the qualified investments comprising the Aggregate Annual Credit on Part II, line 10.

Line 32 – Multiply the number of taxable group members by $2,000 and enter the result.

Line 36 – Combined groups claiming multiple credits must list any credits already applied to the group tax liability to ensure accuracy of the calculation for maximum credit allowable.

Lines 39 through 42 – If any unused credit remains after applying the limitations indicated above, the excess may be refunded to the taxpayer. The amount of the refund is calculated in this section.

Lines 40a and 40b – 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 member's qualified investment. If the member is unable to ascertain these amounts, they will 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 29.

Section B
This section is used to calculate the amount of credit allowable for members that choose not to share their credit with the group. Section B is completed based on the member's share of the group tax liability. The amount of the credit calculated in this section cannot exceed 50% of the portion of the member's share of the group tax liability that is attributable to and the direct result of the member's qualified investment and cannot reduce the tax liability to an amount less than $2,000. The amount of the credit is also limited to the amount that would otherwise be allowed against the group tax liability if the member had been sharing the credit.

Line 49 – Members claiming multiple credits must list any credits already applied to the member's tax liability to ensure accuracy of the calculation for maximum credit allowable.

Lines 52–55 – See Section A instructions for lines 39–42 and lines 40a–40b.

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.