

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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Part IV Calculation of Allowable Credit Amount and Carryover – Combined Return Filers ONLY

Section A – ALL Combined Return Filers

19. Enter the group tax liability from Schedule A, Part III, line 5, column (a) of CBT-100U.....	19.	
20. Enter the aggregate minimum tax of combined group members (see instructions).....	20.	
21. Subtract line 20 from line 19.....	21.	
22. Enter 50% of the tax liability reported on line 19.....	22.	
23. Enter the lesser of line 21 or line 22.....	23.	
24. Other tax credits used by combined group on current year's return (see instructions):		
(a) _____		
(b) _____		
(c) _____		
(d) _____ Total	24.	
25. Subtract line 24 from line 23. If zero or less, enter zero.....	25.	
26. Allowable credit for the current tax period. Enter the lesser of line 9 or line 25. If sharing , also enter in the member's column of Part I, Schedule A-3 of the CBT-100U.....	26.	
If SHARING credit, complete line 27. If NOT sharing credit, skip line 27 and complete Section B.		
27. Amount of credit carryover to following year's return (subtract line 26 from line 9).....	27.	

Section B – Combined Return Filers NOT Sharing Credit

28. a) Enter combined group tax liability from line 19.....	28a.		
b) Divide line 28a by the combined group allocation factor from Schedule J, line 9.....	28b.		
c) Member's share of combined group tax liability – Multiply line 28b by member's allocation factor from Schedule J, line 9.....	28c.		
29. Required minimum tax liability.....	29.		2,000
30. Subtract line 29 from line 28c.....	30.		
31. Enter 50% of the tax liability reported on line 28c.....	31.		
32. Enter the lesser of line 30 or line 31.....	32.		
33. Other tax credits used by taxpayer on current year's return (see instructions):			
(a) _____			
(b) _____			
(c) _____			
(d) _____ Total	33.		
34. Subtract line 33 from line 32. If zero or less, enter zero.....	34.		
35. Allowable credit for the current tax period. Enter the lesser of line 26 or line 34 here and in the member's column of Part I, Schedule A-3 of the CBT-100U.....	35.		
36. Amount of credit carryover to following year's return (subtract line 35 from line 9).....	36.		

Instructions for Form 317 Sheltered Workshop Tax Credit

This form must be completed by any taxpayer claiming a Sheltered Workshop Tax Credit and/or credit carryover as provided for in P.L. 2005, c.318. In general, a tax credit is allowed in an amount equal to 20% of the salary and wages paid by the taxpayer during the tax year for the employment of a qualified person but cannot exceed \$1,000 for each qualified person for the tax year. If the taxpayer claims this credit on Form CBT-100, CBT-100U, CBT-100S, or BFC-1, a completed Form 317 must be included with the return to validate the claim.

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.

Note: Only complete the applicable lines from Parts II–IV where the full amount of the Sheltered Workshop Tax Credit claimed on the current return is the result of a Sheltered Workshop Tax Credit carried forward from a previous tax year.

The amount of the tax credit that cannot be applied to the current tax period due to the applicable limitations can be carried over to the seven tax years following the tax year for which the credit was allowed.

Definitions:

Qualified Person means an extended employee, within the meaning of that term as set forth in section 2 of P.L.1971, c.272 (C.34:16-40), to whom the Commissioner of the Department of Labor and Workforce Development, under subsection (b) of section 18 of P.L.1966, c.113(C.34:11-56a17) shall have issued a special license authorizing employment at wages less than the minimum wage rate, and who, for at least 26 weeks during the tax year, shall have performed at least 25 hours per week of work at or under the supervision of a sheltered workshop pursuant to a contract between the taxpayer and the sheltered workshop.

Sheltered Workshop means an occupation-oriented facility operated by a nonprofit agency with which the Division of Vocational Rehabilitation Services in the Department of Labor and Workforce Development shall have entered into a contract under section 4 of P.L.1971, c.272 (C.34:16-42) to furnish extended employment programs to eligible individuals.

Combined Return Filers

If filing a combined return, the 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.



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 – Qualifications

The answer to both questions must be “YES.” If the answer to either question is “NO,” the taxpayer is not entitled to the Sheltered Workshop Tax Credit.

Part II – Calculations of the Available Credit

Enter the information in columns A through D for each qualified person for which a tax credit is claimed. Enter in column D the lesser of 20% of the amount in column C or \$1,000. Include a schedule if additional entries must be made.

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

For CBT-100, CBT-100S, and BFC-1 filers, the allowable Sheltered Workshop Tax Credit for the current tax period is calculated in Part III. Combined return filers do not complete Part III, and must complete Part IV instead. The amount of this credit in addition to the amount of any other tax credits taken is limited to 50% of the taxpayer’s total tax liability and cannot exceed an amount that would reduce the total tax liability below the statutory minimum.

Line 11 – The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	CBT-100/BFC-1	CBT-100S
Less than \$100,000	\$500	\$375
\$100,000 or more but less than \$250,000	\$750	\$562
\$250,000 or more but less than \$500,000	\$1,000	\$750
\$500,000 or more but less than \$1,000,000	\$1,500	\$1,125
\$1,000,000 or more	\$2,000	\$1,500

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

Line 15 – 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 IV – Calculation of the Allowable Credit Amount and Carryover for Combined Return Filers

For CBT-100U filers, the allowable Sheltered Workshop 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 group tax liability otherwise due and cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

Line 20 – Multiply the number of taxable group members by \$2,000 and enter the result.

Line 24 – Combined groups claiming multiple credits must list any credits already applied to the group tax liability to ensure accuracy of the calculation for maximum credit allowable.

Section 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 member's tax liability otherwise due 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 33 – 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.