

CBT-160-B

NJ Division of Taxation
(9-23)

Underpayment of Estimated NJ Corporation Business Tax

For Taxpayers With Gross Receipts of \$50 Million or More
Submit with your tax return (Form CBT-100, CBT-100S, or CBT-100U)

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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Part I How to Calculate Your Underpayment

1. Amount of 2023 tax – See instructions for line 1 on reverse side			
2. 90% of line 1 – If you were qualified and elected to make a single payment in lieu of paying installments of estimated tax, enter zero (see instructions)			
3. Prior year's tax – Enter the amount from line 6b, page 1 of the 2022 CBT-100 or BFC-1, or line 4, page 1 of the 2022 CBT-100S, or line 5, page 1 of the 2022 CBT-100U			
4. Enter the lesser of lines 2 or 3			
	(a)	(b)	(c)
5. Enter in columns (a) through (c) the installment dates that correspond to the 15th day of the fourth, sixth, and 12th months of your tax year			
6. Enter 25% of line 4 in columns (a) and (c) and 50% of line 4 in column (b)			
7. (a) Amount paid or credited for each period			
(b) Overpayment of previous installment (enter any overpayment shown on line 9 that is more than the total of all prior underpayments as a credit against the next installment)			
8. Add lines 7a and 7b			
9. Underpayment (subtract line 8 from line 6) or overpayment (subtract line 6 from line 8)			

Part II Exceptions (See Instructions)

10. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the fourth, sixth, and 12th months of your tax year			
11. Exception 1 – Tax based on the facts shown on the prior year's return but using current year's rates. See instructions regarding tax periods of less than one year	25% of tax	75% of tax	100% of tax
	22.5% of tax	67.5% of tax	90% of tax
12. Exception 2 – Tax based on annualized tax			

Part III Installment Interest Due (See Instructions)

13. Amount of underpayment from line 9			
14. Enter same installment dates used above at line 5			
15. Enter the date of payment or the 15th day of the fourth month after the close of the tax year, whichever is earlier			
16. Number of months from the date on line 14 to the date on line 15. (A part of a month is deemed to be a full month.)			
17. Interest			
18. Installment interest due – Add columns (a), (b), and (c) of line 17. Enter the total here and on page 1, line 12 of Form CBT-100, page 1, line 12, of CBT-100S, or page 1, line 14, of CBT-100U			

Instructions for Form CBT-160-B

Purpose of Form

Form CBT-160-B is used by corporations (separate or combined filers) to determine whether they paid enough estimated tax, whether they are subject to an interest charge for underpayment of estimated tax, and if so, the amount of interest. Taxpayers with total gross receipts of \$50 million or more should use this form.

How to Use This Form

FYI Beginning with privilege periods ending on and after July 31, 2023, banking corporations and financial corporations are subject to the electronic filing requirements for all tax filings and payments. See the Division's [website](#) for more information.

Complete Part I of Form CBT-160-B to find out if you have an underpayment for any of the three payment periods. If you have an underpayment on line 9 (column a, b, or c), go to Part II. If you cannot meet either of the exceptions for a payment period, go to Part III. If you are using Form CBT-160-B either to calculate the interest on underpayment of estimated tax or to show that you qualify for any exception, submit Form CBT-160-B with your CBT-100, CBT-100S, or CBT-100U.

Note: For privilege periods ending on or after July 31, 2023, but ending before January 1, 2024, no interest will be assessed on an underpayment of estimated tax that results from the provisions of P.L. 2023, c.96, provided all additional estimated tax is paid by the second estimated payment due date after January 1, 2024.

Part I – How to Calculate Your Underpayment

Complete lines 1 through 9. The instructions for most of these lines are on the form itself. Follow the instructions below for the lines indicated.

Line 1 – Enter the amount from line 6b, page 1 of Form CBT-100, line 4, page 1 of Form CBT-100S, or line 5, page 1 of Form CBT-100U.

Line 7b – Enter any overpayment shown on line 9 that is more than the total of all earlier underpayments.

Line 9 – If line 9 shows an underpayment, complete Part II to see if either of the exceptions apply.

Part II – Exceptions

You will not have to pay interest if all of your tax payments (line 10) were made on time and are equal to or more than either of the amounts calculated as explained by the exceptions (lines 11 and 12) for the same payment period (column a, b, or c).

Exception I – Tax Based on Prior Year's Return Using Current Year's Rates

This exception applies if the amount the taxpayer paid is equal to or more than the tax calculated by using the current year's rates but based on the facts shown on the prior year's return and the law that applies to the prior year. If the prior year return covered a period of less than a year, the prior return must be annualized by dividing the taxable net income by the number of whole months covered by the short period return and multiplying by 12.

Exception II – Tax Based on Annualized Tax

This exception applies if the estimated tax paid was equal to or more than 90% of the amount the taxpayer would owe if its estimated tax was based on a tax calculated from annualizing tax for the months preceding an installment date.

A taxpayer may annualize its tax as follows:

- a. For the first three months if the installment was required to be paid in the fourth month.
 - b. For the first three months or for the first five months if the installment was required to be paid in the sixth month.
 - c. For the first nine months or for the first 11 months if the installment was required to be paid in the 12th month.
- a. There is no rate of tax on entire net income that is **not** subject to federal corporate income taxation. All returns are subject to at least the minimum tax.
 - b. The rate on taxable income that is subject to federal corporate income taxation is 6.5% (0.065) for taxpayers with entire net income of \$50,000 or less. The rate is 7.5% (0.075) for those with entire net income greater than \$50,000 but not greater than \$100,000. For all others the rate is 9% (0.09).

Part III – Installment Interest Due

If no exception applies, complete lines 13 through 18.

A payment of estimated tax on or before any installment date is considered a payment of any previous underpayment only to the extent the payment is more than the amount of the current installment as figured on line 6. If the corporation made more than one payment for an installment, include a separate computation for that installment.

Interest is calculated on the amount of the underpayment from the installment due date to the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. The annual interest rate is 3% above the average predominant prime rate and is imposed each month or fraction of a month the underpayment exists. Changes in the average predominant prime rate must be reflected in the interest calculation. The interest rates assessed by the Division of Taxation are published on the Division's [website](#).

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 re-determined by the Director in accordance with [N.J.S.A. 54:48-2](#).