

GROSS INCOME TAX 2009 INCOME TAX RATE FOR THE NJ-1080C, COMPOSITE RETURN

The New Jersey Administrative Code at N.J.A.C. 18:35-5.2 requires income taxation on the composite return (NJ-1080C) at the highest rate. However, the Division is allowing the use of two rates in order to encourage nonresident individuals to elect to participate in a composite return.

As a result of new legislation (P.L. 2009, c. 69), the NJ-1080C nonresident composite return has been modified so that for tax year 2009, the two tax rates applied are 6.37% and 10.75%.

Therefore, 2009 composite return filers may continue to apply the 6.37% rate on the income from the entity preparing and filing the NJ-1080C return for participating individuals with income of less than \$250,000 each. The new highest rate of 10.75% is applied to participants with income of \$250,000 and above.