

**NEW JERSEY GROSS INCOME TAX**  
**BUSINESS ALLOCATION SCHEDULE**

Use this schedule if business activities are carried on both inside and outside New Jersey or  
if business activities are carried on 100% outside New Jersey.

*This form must be attached and filed with your New Jersey Income Tax return.*

Enter name, address and Federal Employer Identification Number as shown on the Form NJ-1040NR, Form NJ-1041 or Form NJ-1065.

Legal name of taxpayer	Federal EIN		
Trade name of business if different from legal name above	For the Taxable Year Ending (Month, Day, Year)		
Address (number and street or rural route)			
City or Post Office	State	Zip Code	

**Section 1 - Business Locations**

List all places BOTH INSIDE AND OUTSIDE New Jersey where business is carried on.

	(a) Street Address	(b) City and State	(c) Description of Business Location	(d) Check One	
				RENT	OWN
1.					
2.					
3.					
4.					

**Section 2 - Average Values**

ASSETS (See instructions)	Average Values			
	Column A Everywhere		Column B New Jersey	
1. Real Property Owned	1.		1.	
2. Real and Tangible Property Rented	2.		2.	
3. Tangible Personal Property Owned	3.		3.	
4. TOTALS (Add Lines 1-3 in each column)	4.		4.	

**Section 3 - Business Allocation Percentage**

1. Average Values of Property:				
a. In New Jersey (from Section 2, Column B, Line 4)	1a			
b. Everywhere (from Section 2, Column A, Line 4)	1b			
c. Percentage in New Jersey. (Divide Line 1a by Line 1b)			1c	%
2. Total Receipts from All Sales, Services and Other Business Transactions:				
a. In New Jersey	2a			
b. Everywhere	2b			
c. Percentage in New Jersey (Divide Line 2a by Line 2b)			2c	%
3. Wages, Salaries and Other Personal Compensation Paid During the Year:				
a. In New Jersey	3a			
b. Everywhere	3b			
c. Percentage in New Jersey. (Divide Line 3a by Line 3b)			3c	%
4. Sum of New Jersey Percentages. (Add Lines 1c, 2c and 3c)			4	%
5. Business Allocation Percentage. (Divide the total on Line 4 by 3; if less than 3 fractions, see instructions)			5	%

## Form NJ-NR-A

If business activities are carried on *both inside and outside New Jersey*, business income may be allocated to determine the amount of income from New Jersey sources. Carrying on business activities outside New Jersey means maintaining, operating or occupying a regular place of business outside New Jersey, such as an office, shop, store, warehouse, factory, agency or other place where the business's affairs are systematically and regularly conducted.

The business may not allocate income if it has only an occasional or isolated business transaction outside the State. Likewise, if the business has no regular place of business outside New Jersey, it may not allocate income, even though its representatives travel outside the State for the purposes of performing duties connected with the trade or business, and make sales or perform services for persons or corporations located outside the State.

**Be sure that Form NJ-NR-A is firmly attached to Form NJ-1040NR, NJ-1041, or NJ-1065, and that the name and address on the Business Allocation Schedule agree exactly with the name and address on the return to which it is attached.**

## Section 1 – Business Locations

Use Section 1 to list the locations where the business activities are conducted. In Columns (a) and (b) list the exact locations at which the business carries on activities both inside and outside the State. List **all** business locations. In Column (c) describe the places listed in Columns (a) and (b) (i.e., branch office, agency, factory, warehouse, etc.). In Column (d) indicate whether the business rents or owns each location listed. Attach additional sheets if necessary.

## Section 2 - Average Values

Use Section 2 to determine the average values of your business assets. The *average value of property owned* is determined by adding (1) the book value of the property at the beginning of the taxable year and (2) the book value of the property at the end of the taxable year and dividing the sum by two.

The *average value of property rented or leased* is valued at eight times the annual rent. Rent includes any amounts paid in addition to, or accrued in lieu of rent for the period covered by the return (such as interest, taxes, insurance and repairs).

### Line 1 - Real Property Owned

#### COLUMN A

Enter on Line 1, Column A, the average value of the real property listed in Section 1 that was owned for the period covered by the return. Include property located both inside and outside New Jersey.

#### COLUMN B

Enter on Line 1, Column B, the average value of the real property listed in Section 1 that was owned in the State. Include only property located in New Jersey.

### Line 2 - Real and Tangible Property Rented

#### COLUMN A

Enter on Line 2, Column A, the average value of the property, both real and tangible, that was rented for the period covered by the return. Include property located both inside and outside New Jersey.

#### COLUMN B

Enter on Line 2, Column B, the average value of the property, both real and tangible, that was rented in the State. Include only property located in New Jersey.

**Line 3 - Tangible Personal Property Owned****COLUMN A**

Enter on Line 3, Column A, the average value of the tangible personal property that was owned and used in the business for the period covered by the return. Include property located both inside and outside New Jersey.

**COLUMN B**

Enter on Line 3, Column B, the average value of the tangible personal property that was owned and used in the business in the State. Include only property located in New Jersey.

**Line 4 - Totals****COLUMN A**

Add Lines 1–3 of Column A and enter the total on Line 4, Column A.

**COLUMN B**

Add Lines 1–3 of Column B and enter the total on Line 4, Column B.

**Section 3 - Business Allocation Percentage**

Use Section 3 to determine the business allocation percentage that must be applied to business income. The Business Allocation Percentage must be applied to business income from all sources in order to determine the amount from New Jersey sources.

**Line 1 - Average Values of Property****Line 1a - In New Jersey**

Enter on Line 1a the average values of the business property in New Jersey from Line 4, Column B, Section 2.

**Line 1b - Everywhere**

Enter on Line 1b the average values of the business property from everywhere (both inside and outside New Jersey) from Line 4, Column A, Section 2.

**Line 1c - Percentage in New Jersey**

Divide the amount on Line 1a by the amount on Line 1b. The result will be 100% or less. Enter the result on Line 1c.

**Line 2 - Total Receipts from All Sales, Services and Other Business Transactions****Line 2a - In New Jersey**

Enter on Line 2a the total of receipts from all sales made, services performed and business transactions conducted in New Jersey during the period covered by the return. This includes sales made and services performed by partners, employees, agents, agencies or independent contractors of the business situated at or sent out from, the offices of the business (or its agencies) located in New Jersey. For example, if a salesperson working out of the New Jersey office of the business covers

the states of New Jersey, New York and Pennsylvania, all sales made are to be allocated to New Jersey and reported on Line 2a.

**Line 2b - Everywhere**

Enter on Line 2b the total of receipts from all sales made, services performed and business transactions conducted both inside and outside New Jersey during the period covered by the return.

**Line 2c - Percentage in New Jersey**

Divide the amount on Line 2a by the amount on Line 2b. The result will be 100% or less. Enter the result on Line 2c.

**Line 3 - Wages, Salaries and Other Personal Compensation Paid During the Year****Line 3a - In New Jersey**

Enter on Line 3a the total of wages, salaries and other personal compensation paid to employees in connection with operations carried on in New Jersey during the period covered by the return. Compensation is paid in connection with operations carried on in New Jersey if work is based in an office or other place of business located in New Jersey.

Include only amounts paid to employees on Line 3a. **Do not include payments to independent contractors, independent sales agents, etc.**

**Line 3b - Everywhere**

Enter on Line 3b the total compensation paid to employees both inside and outside New Jersey during the period covered by the return. **Do not include payments to independent contractors, independent sales agents, etc.**

**Line 3c - Percentage in New Jersey**

Divide the amount on Line 3a by the amount on Line 3b. The result will be 100% or less. Enter the result on Line 3c.

**Line 4 - Sum of New Jersey Percentages**

Add Lines 1c, 2c and 3c and enter the total on Line 4.

**Line 5 - Business Allocation Percentage**

Divide the total on Line 4 by three and enter the result on Line 5. Also enter this percentage on the appropriate line of the following returns:

- Part V, Form NJ-1040NR
- Line 16b, Form NJ-1065
- Schedule F, Form NJ-1041

If one of the fractions (property, receipts or payroll) is missing, the other two percentages are added and the sum is divided by two. If two of the fractions are missing, the remaining percentage may be used as the allocation factor. A fraction is not missing merely because its numerator is zero, but is missing if its denominator is zero.