

New Jersey State Tax News

Summer 1998

inside

<i>paperless filing grows</i>	1
<i>one stop shopping for business</i> ..	1
<i>sale of a principal residence</i>	2
<i>reimbursement update</i>	3
<i>attention turbotax users</i>	3
<i>add back of taxes</i>	3
<i>amended cbt returns</i>	3
<i>interest rate 11.50%</i>	3
<i>guaranteed payments</i>	4
<i>out-of-state composite returns</i> .	4
<i>caution to tax practitioners</i>	4
<i>your opinion counts</i>	4
<i>online extensions</i>	5
<i>new life estate tables</i>	5
<i>self-executing waiver</i>	5
<i>correction</i>	6
<i>construction industry</i>	6
<i>set-off program</i>	7
<i>warrants of execution</i>	7
<i>nj bankruptcy cases</i>	8
<i>common eft errors</i>	9
<i>compliance award program</i>	9
<i>county tax board members</i> ...	10
<i>tax assessors' calendar</i>	10
<i>criminal enforcement</i>	11
<i>enforcement summary</i>	12
<i>tax briefs</i>	13
<i>seized business list</i>	15
<i>auctioned business list</i>	17
<i>in our courts</i>	21
<i>in our legislature</i>	22
<i>tax calendar</i>	22
<i>from the director's desk</i>	24

In the center of this issue:

- Survey of Tax Professionals

Paperless Filing Grows

This year over 385,000 New Jersey taxpayers filed paperless State returns. Of these, more than 181,000 were filed via the Division's TeleFile system, an increase of 24% over last year. Taxpayers who used NJ TeleFile received the added bonus of having their refund check mailed within two weeks of their TeleFile call.

For the 1997 tax season, New Jersey was among 19 states that offered TeleFile programs. New Jersey ranked fifth among states in the number of returns TeleFiled.

In keeping with the national trend, more and more New Jersey taxpayers are turning to electronic alternatives when filing their State tax returns. In addition to NJ TeleFile, New Jersey's Electronic Filing (ELF) Program was very successful. As of April 15, over 204,000 taxpayers used Electronic Filing to file both their Federal and State tax returns. This represents an increase of almost 87% from last year. Electronic filing continues to be available to file 1997 returns until October 15.

General Information about New Jersey's TeleFile program is available on the Division's home page:

<http://www.state.nj.us/treasury/taxation/>



One Stop Shopping for NJ Businesses

In the State's FY 1999 Budget, Governor Whitman proposed a "One Stop Shopping" initiative to simplify reporting requirements for New Jersey businesses.

The Division of Revenue in the Department of the Treasury will be a single point of entry for registration and for filing and paying gross income tax withheld and other payroll taxes previously sent to the Department of Labor (unemployment, disability, workforce development and health care contributions).

continued on page 2

important phone numbers

Tax Hotline.....609-588-2200
Automated Tax Info..... 800-323-4400
..... 609-588-2525
Speaker Programs.....609-984-4101
NJ TaxFax..... 609-588-4500

Alcoholic Bev. Tax..... 609-984-4121
Corp. Liens, Mergers, Withdrawals
& Dissolutions.....609-292-5323
Director's Office..... 609-292-5185
Inheritance Tax..... 609-292-5033
Local Property Tax.....609-292-7221
Motor Fuels Tax Refunds...609-292-7018
Public Utility Tax..... 609-633-2576

<http://www.state.nj.us/treasury/taxation/>

one stop shopping - from page 1

Employers will need to file only one form with the Division of Revenue to register with the Commercial Recording Bureau, the Division of Taxation and the Division of Employer Accounts (formerly UI/DI Financing) in the Department of Labor.

The Division of Employer Accounts and the Division of Taxation will use the same Employer Identification Number. This will mean that New Jersey businesses will need only one number when corresponding with either agency.

The Department of Labor will no longer require a separate NJ registration number for unemployment and disability purposes. The Federal Employer Identification Number will become the basic identifier. The Department already carries this number on its records for over 95% of active employers. The Division of Employer Accounts is in the process of contacting employers without an FEIN in order to obtain this information prior to the changeover.

The Division of Taxation's "Quarterly Return of Gross Income Tax Withheld" (NJ-941 and NJ-941-W) forms and the Division of Employer Accounts' "Quarterly Contribution Report" (UC-27) form will be consolidated into one new form, "Employer's Quarterly Report" (NJ-927). Employers can submit one report and one check to satisfy their reporting requirements with both agencies. Forms UC-27 and NJ-941 will be used only for prior period reporting.

The Division of Employer Accounts' "Employer Report of Wages Paid" (WR-30) will remain

a separate form and the data to be reported will remain the same. The form itself is being redesigned in order to make the most efficient use of the Division of Revenue's scanning and imaging equipment.

At the present time, the redesigned WR-30 and the new NJ-927 forms are scheduled to be implemented as of the third quarter of 1998. The new forms will be sent to all employers in advance of implementation.

For updated information visit the Division of Taxation's home page: <http://www.state.nj.us/treasury/taxation/>

GROSS INCOME TAX ***Sale of a Principal Residence***

On March 20, 1998, Governor Whitman signed Assembly Bill A-1296, sponsored by Assembly members Michael Carroll (R-Morris) and Scott Garrett (R-Sussex/Hunterdon/Morris) and Senators Bernard Kenny (D-Hudson) and John Adler (D-Camden), which conforms State law to recent changes in Federal laws governing the treatment of capital gains. The legislation updates New Jersey's treatment of capital gains derived from the sale of a principal residence for the purpose of calculating a taxpayer's New Jersey income tax liability.

The legislation provides tax relief by increasing the allowable gross income tax exclusion and enabling additional eligible taxpayers to sell their homes without reporting gains of up to \$500,000. The bill increases the allowable gross income tax exclusion to \$250,000 for single filers and \$500,000 for

New Jersey State Tax ***News***

is published quarterly by the:

**New Jersey Division of Taxation
Technical Services
Taxpayer Services Branch
Office of Communication
PO Box 281
Trenton, NJ 08646-0281**

A subscription to the *State Tax News* is free. To be placed on the mailing list, or to notify us of an address change, write to us at the address above or send e-mail to: nj.taxation@treas.state.nj.us

This publication is designed to keep taxpayers, tax practitioners and the general public informed of developments, problems, questions and matters of general interest concerning New Jersey tax law, policy and procedure. The articles in this newsletter are not designed to address complex issues in detail, and they are not a substitute for New Jersey tax laws and/or regulations.

Division of Taxation Acting Director:
Robert K. Thompson

News Coordinators for This Issue:

<i>Office Audit</i>	Josephine Comfort
<i>Compliance</i>	Marita Sciarrotta
<i>Criminal Investigation</i>	Cheryl Repici
<i>Legislative Analysis</i>	John Bodnar
<i>Property Admin.</i>	Gary Amerine
<i>Technical Services</i>	Allette Wooley

Contributors: Dorothy Aicher, Laurie Angiolillo-Bent, Terri L. Burd, Elizabeth S. Ashton, Nicholas Catalano, Susan Dobay, Lee J. Evans, James Francemore, Francis C. Gatti, Jr., (Revenue), Howard Greenberg, Arthur J. Guenther, Maragret A. Holland (D.A.G.), Michael Izzo, Denise M. Lambert, Howard D. Luse, Joanne M. Monte, John R. Murray, Carolyn J. Osowski, Donald A. Panfile, James J. Pippitt, Patrick J. Ryan, Rande Schutsky, Ronald S. Stubbs, Carol M. Trovato.

Editor: Linda B. Hickey

continued on page 3

sale of a residence - from page 2

joint filers. Additionally, the bill broadens the exclusion by making it available to all filers regardless of age, as long as the filer has lived in the residence for two out of the five years prior to the sale. Previous law allowed taxpayers to "roll forward" their capital gains and defer reporting of income, allowing for investment. Previous law had only allowed persons over the age of 55 to exclude \$125,000 in capital gains from reportable income.

The bill is based upon an identical Federal law enacted last year. Sales of homes occurring after May 6, 1997 are eligible for the tax relief provided for in this bill. Individuals who have filed their 1997 New Jersey income tax returns and did not take advantage of this change in the law, though eligible to do so, can file an amended return (Form NJ-1040X). □

**LOCAL PROPERTY TAX
Reimbursement
Update**

The Division of Taxation is continuing to work on the new Property Tax Reimbursement Program. The 1998 applications, which will be mailed to targeted individuals at the end of 1998, will have a filing due date of March 15, 1999. The first reimbursement checks will be mailed to qualified applicants on July 15, 1999. Look for more information in upcoming issues of this publication.

See the related article in the spring 1998 issue of the *New Jersey State Tax News* for more information on who is eligible to apply for the property tax reimbursement. □

**Attention TurboTax
Software Users**

If you used TurboTax to complete your 1997 New Jersey Income Tax Return/Homestead Rebate Application, the software may not have prompted you to complete a Homestead Rebate Application *even if you were eligible to apply for a rebate.*

If this is the case, you need to complete an amended Homestead Rebate Application (HR-1040-X) and mail it to us as soon as possible. This form is available on your TurboTax package.

We believe this problem does not exist in the professional preparers' version of this software.

For more information, check TurboTax's Website at:

www.intuit.com/turbotax/

Please be aware that although we will make every attempt to process amended homestead rebate applications as quickly as possible, we cannot guarantee that amended rebate application filers will receive their rebates in the general mailing scheduled for July 31, 1998. □

**CORPORATION TAX
Add Back of Taxes**

Effective for taxable periods beginning after July 7, 1993, pursuant to N.J.A.C. 18:7-5.2(a)1 the New Jersey tax add back requirement was changed to require *all* taxes paid or accrued to a possession or territory of the United States, a state, a political subdivision thereof, or the District of Columbia, on or measured by profits or income, or business presence or business activity, including, without limitation, the Michigan Single Business Tax and taxes measured in whole or in part

by net taxable capital to be added back to the extent such taxes were deducted in computing Federal taxable income.

Examples of the taxes which now are required to be added back include all other state corporate franchise or income taxes, net worth taxes and gross receipts taxes, local and city income taxes and business occupancy taxes.

Specifically, the New Jersey Litter Tax should also be added back. □

**CORPORATION TAX
Amended Returns**

Form CBT-100-X can be used to amend CBT-100 returns for tax periods ending on or before June 30, 1994. To amend CBT-100 returns for subsequent tax periods, as well as *any* CBT-100S returns, complete a new return of the same type and tax year that was used to file the initial return and write "AMENDED RETURN" on the front page of the form. □

**Interest 11.50% for
Second Quarter**

The interest rate assessed on amounts due for the second quarter of 1998 is 11.50%.

The assessed interest rate history for the last eight quarters is listed below.

Effective Date	Interest Rate
7/1/96	11.75%
10/1/96	11.75%
1/1/97	11.25%
4/1/97	11.25%
7/1/97	11.25%
10/1/97	11.25%
1/1/98	11.50%
4/1/98	11.50%

GROSS INCOME TAX Guaranteed Payments

A New Jersey resident who is a former partner of a large, national accounting firm inquired about the New Jersey Gross Income Tax treatment of the income he receives from the partnership. He also asked whether a credit for taxes paid to other jurisdictions would be allowed.

As part of a contractual agreement with the partnership the taxpayer has received payments since his retirement. The Federal K-1 the taxpayer received from the partnership shows the amounts as guaranteed payments. The retirement guaranteed payments are the only income he receives from the partnership.

Guaranteed payments to a retired partner pursuant to a retirement agreement or pension plan and resulting from a period of service to the partnership are pension or annuity income for New Jersey Gross Income Tax purposes. Pension or annuity income may be reduced by the New Jersey pension exclusion if the taxpayer meets the age requirements.

In the past, New Jersey allowed a credit for taxes paid to another jurisdiction by a New Jersey resident if the other jurisdiction taxed the income as pension or annuity income. For tax years before 1996, states could tax the pension and annuity income of nonresidents. A Federal statute enacted in January 1996 (Title 4, Section 114 U.S.C.) prohibits state taxation of retirement income of nonresidents received after December 31, 1995. Since this Federal provision allows

only the state of residence to tax pension or annuity income for tax years 1996 and thereafter, *no* credit for taxes paid to another jurisdiction is allowed for this income. Even if the other jurisdiction classifies and taxes the guaranteed payments as "partnership income," the taxpayer is not entitled to the credit for taxes paid to other jurisdictions. □

GROSS INCOME TAX Out-of-State Composite Returns

If a New Jersey resident has consented to be included in a composite return in another state, what must be filed with the New Jersey return to be able to claim a refund for credit for taxes paid to another jurisdiction?

Some states allow composite returns to be filed on behalf of nonresident taxpayers by business entities such as partnerships. Participating in a composite return may relieve the nonresident taxpayer from filing an individual nonresident return.

A New Jersey resident participating in a composite return for another state must include with his or her New Jersey return a statement from the entity filing the composite return. The statement, on the letterhead of the entity, must include the taxpayer's share of:

- Gross income allocated to the other jurisdiction.
- The income taxed by the other jurisdiction.
- Tax paid to the other jurisdiction.

If audited, the New Jersey resident may be required to obtain a copy of the canceled check used to pay

the liability as reflected on the composite return filed with the other jurisdiction. □

GROSS INCOME TAX Caution to Tax Practitioners

Tax practitioners sometimes neglect to thoroughly review tax returns that have been prepared with the aid of commercial tax preparation software. This usually occurs when the practitioner mistakenly assumes the software package is virtually infallible, making close scrutiny of the finished form unnecessary. Suppositions of this kind can, and often do, result in returns which contain overt errors and/or errors of omission.

The Division reminds tax practitioners that a careful check of all New Jersey tax returns for accuracy *before* they are submitted to the State, including returns prepared with the aid of commercial tax preparation software packages, will help to reduce the number of filing errors and, in the process, save time, money and inconvenience for everyone involved. □

Your Opinion Counts

This issue of the *State Tax News* contains a survey regarding services offered to the public by the Division of Taxation.

We would like to hear our readers' opinions concerning the services we currently provide and suggestions for additional or expanded services they'd like to see. Please take the time to complete the survey located at the center of this issue and return it to us at your earliest convenience. Thank you. □

DIVISION HOME PAGE ***Online Extensions***

During the recent tax season, over 2,600 taxpayers used the Division's home page to request an extension of time to file their 1997 New Jersey personal income tax returns. Last minute taxpayers were able to actually complete a new, interactive version of Form NJ-630 *online* rather than having to download a hard copy of the extension application from the home page, fill it out and mail it in to the Division. With this enhancement, New Jersey became one of only a handful of states to allow online filing.

Only those taxpayers who were not paying additional tax were eligible to file the NJ-630 extension request via the home page. The Division is currently exploring the possibility of allowing taxpayers who owe taxes to file the NJ-630 extension request online next year.

More and more taxpayers are taking advantage of the Division's home page. This tax season twice as many taxpayers visited our home page compared with the same period last year. Our two millionth "hit" since coming online on February 29, 1996 was recorded in April of 1998. □

INHERITANCE/ESTATE TAX ***New Life Estate Tables***

Pursuant to the Tax Court's decision in *La Greca v. Director*, 15 N.J. Tax 22 (1995), revised Transfer Inheritance Tax Tables have been published by the Division for valuation of life estates, remainders, and terms for years of transfer inheritance tax purposes. The

Tax Court held that these types of valuations should be based on a 6% interest rate and the "most recently available" mortality data rather than on the tables previously used which were based on 1959-61 mortality data.

Transfer Inheritance Tax Tables based upon the mortality data set forth in the U.S. Decennial Life Tables for 1989-91 (Life Tables for Males: United States and Life Tables for Females: United States), have been published by the Division. The 1989-91 U.S. Decennial Life Tables were printed in October 1997 and reflect data based upon the 1990 census.

A copy of these tables may be requested by writing to:

NJ DIVISION OF TAXATION
TRANSFER INHERITANCE/ESTATE TAX
PO BOX 249
TRENTON NJ 08646-0249

or by telephone at 609-292-5033, 292-5035, 292-7147 or 777-4559.

□

INHERITANCE/ESTATE TAX ***Self-Executing Waiver (Form L-8)***

Telephone inquiries and other forms of correspondence received by the Transfer Inheritance and Estate Tax Branch indicate that there continues to be some confusion regarding proper use of the self-executing waiver, Form L-8. This is a short synopsis of various conditions regarding the implementation, purpose, and use of Form L-8.

Effective in estates of decedents dying on or after July 1, 1988, all Class "A" transferees became exempt from New Jersey Transfer Inheritance Tax. In order to facilitate the transfer of intangible

assets passing to this class transferee, an affidavit of waiver, Form L-8, was designed and adopted by the Division of Taxation.

Class "A" transferees, consisting of a surviving spouse, parent, grandparent, child, grandchild, stepchild, legally adopted child, or a child or children of a decedent's child or legally adopted child may execute Form L-8 where decedent's date of death is on or after July 1, 1988 and, under the terms of the account instrument and applicable State law, the transferee has the right of survivorship or is the named beneficiary. Form L-8 is authorized for use by a surviving spouse in estates of decedents dying on or after January 1, 1985.

Where assets in the name of decedent alone are passing to Class "A" transferees under the terms of a will or laws of interstate distribution, the executor or administrator may execute Form L-8, provided letters testamentary or of administration are attached and made part of the affidavit.

When Form L-8 is executed by the executor of the estate, a copy of decedent's last will and testament must accompany the form. Contrary to the misconception of many, the banking institution is not required to read or interpret the terms of the will. The institution is simply to confirm that the form is complete and is being executed by a qualified individual in compliance with the provisions set forth on the form.

A separate affidavit is required for each institution and for each transferee.

continued on page 6

waiver form L-8 - from page 5

Care should be exercised in the use of Form L-8 to the extent that assets are released only when the form is executed by a qualified individual as defined above.

A brother or sister, son-in-law or daughter-in-law, is not a Class "A" transferee and is not eligible to use Form L-8.

A step-child is the only step-relative who qualifies as a Class "A" transferee and who is eligible to use the form. A step-parent, step-grandparent or step-grandchild is not a Class "A" transferee and cannot use the form.

Form L-8 may not be used to transfer decedent's interest in real property. Form L-9, which is a *request for a waiver*, has been designed for that purpose.

Form L-8 is available from banks, transfer agents, and from Division of Taxation offices throughout the State.

To the extent that the Division may clarify uncertainties that exist

Correction

The address and telephone numbers found in two articles appearing on pages 8 and 9 of the spring 1998 issue of the *State Tax News* (Vol. 27, No. 1) were incorrect. Please note the following corrections to the articles entitled "ABC Clearance Process" and "Results of Non-Compliance." Inquires regarding the ABC clearance process should be directed to:

NJ DIVISION OF TAXATION
ABC CLEARANCE SECTION
PO BOX 272
TRENTON, NJ 08646-0272

For telephone inquiries please dial 609-292-0024 or 609-292-0041.

among employees of banking institutions regarding Form L-8 and other issues relating to decedent accounts, there is a free speaker program available. Upon request, a representative of the Transfer Inheritance and Estate Tax Branch will visit the financial institution and discuss legal responsibilities and obligations in handling decedent accounts.

The speaker program is, of course, available for other interested organizations such as the New Jersey Bar Association, Certified Public Accountants, senior citizen groups, etc.

Questions regarding Form L-8, or any area of the transfer inheritance and/or New Jersey estate tax, may be directed by telephone to the Transfer Inheritance and Estate Tax Branch, Taxpayer Service Section at 609-292-5033, 609-292-5035, 609-292-7147 and 609-777-4559, or by mail addressed to:

NJ DIVISION OF TAXATION
TRANSFER INHERITANCE/ESTATE TAX
TAXPAYER INFORMATION & SERVICE
PO BOX 249
TRENTON NJ 08646-0249 □

Construction Industry Review

The Investigations Branch has been reviewing various aspects of the construction industry during the past fiscal year. This includes both new construction and renovations as well as the various property maintenance trades. Some of our initiatives have included the following:

Atlantic City Project Team – A group of investigators working out of the Northfield Office have been involved in a review of various construction projects in the Greater Atlantic City area. Much of this

work focuses around casino related construction as well as the corresponding hotel, retail and residential development.

Taxation investigators are primarily looking at building materials and furnishings that are being brought in from out-of-State on which use tax may be due. Assessments and collections have been made on such items as specialty doors and windows, bathroom fixtures, air conditioning systems, office and hotel furnishings and structural steel.

Another focus is the withholding of gross income tax from the various contractors and subcontractors from around the country who are involved in construction work in this area.

Border Project – A group of investigators working out of the Somerville Office have been uncovering contractors from Pennsylvania and New York who do work in New Jersey but are unregistered in this State. Project investigators position themselves to observe these contractors primarily in Hunterdon, Warren and Sussex Counties. Assessments and collections have been secured from landscapers, painting, roofing, air conditioning and paving contractors.

Painting Contractors – Another project targeting unregistered painting contractors is being run out of the Quakerbridge Office. Over 100 painting contractors have been identified and registered through information secured from paint suppliers and various business advertisements.

Joint IRS Projects – Several projects are underway in cooperation with the Internal Revenue Service

construction industry - from page 6

and Taxation's Audit Branch. These have included research of contractor lists provided by the Division of Consumer Affairs and lists of subcontractors working on various construction sites. A pilot project to capture contractor information from local building permits is also in process in cooperation with the Department of Community Affairs and a Bergen County municipality.

All of these projects have been implemented to verify and enforce compliance by the construction industry with the New Jersey tax laws and to eliminate unfair competition for contractors who properly comply with State tax requirements. □

Set-Off Program (S.O.I.L.)

S.O.I.L. is an acronym for Set-Off of Individual Liability. During the early 1980s a State law was enacted which allowed the use of this procedure as a collection tool for debts.

Through the S.O.I.L. system, agencies or institutions are permitted to file claims against debtors. Thousands of individuals are placed into S.O.I.L. by claimant agencies such as the State of New

Jersey, the Internal Revenue Service, hospitals and county probation departments (child support).

Taxpayers filing for a New Jersey gross income tax refund or a homestead rebate, who have been identified as debtors, may have their refund or rebate withheld and sent to the claimant agency.

Since the beginning of fiscal year 1998, the Division of Taxation has placed 8,890 taxpayers who owe State taxes into the program. Of those, 93%, or 8,251 taxpayers, have had \$1,300,803.00 in State tax refunds and homestead rebates set off. Not all of those taxpayers' debts were immediately satisfied; therefore, set-off of any future State refunds or rebates will continue until the debt is paid in full.

Professional tax preparers should advise their clients of the S.O.I.L. program and the consequent potential for loss of a State tax refund or homestead rebate if the client is indebted to a qualified agency. Taxpayers who find themselves in this situation should consider making full payment now, or requesting an installment payment plan with the agency to which they are indebted.

Taxpayers who receive a S.O.I.L. notice in the mail and are unaware of the existence or nature of an

overdue debt should answer the notice in writing or contact the phone number appearing on the notice. □

Warrants of Execution

Pursuant to N.J.S.A. 54:49-12, the Division of Taxation routinely files Certificates of Debt in the Superior Court of New Jersey at Trenton against taxpayers who fail to voluntarily settle their debts with the Division. These Certificates of Debt have the same force and effect as a docketed judgement and remain as a valid lien against the taxpayer for a period of 20 years.

If after the filing of the Certificate of Debt the taxpayer has still not satisfied his indebtedness, the Division, in accordance with N.J.S.A. 54:49-13a, as an alternate remedy, will file a Warrant of Execution in any County Court where assets of the debtor have been located. After recording the warrant in the county(s) the Division will levy and/or seize any known assets of the debtor to satisfy their indebtedness. These Warrants of Execution expire sixty (60) calendar days after recording. Often, due to the quick expiration of these Warrants, more than one such Warrant may be filed in order to effect collections of the debt.

Many judgement searches *erroneously* reflect these Warrants of Execution as tax liens valid for 20 years when in fact they expire after 60 calendar days, as is provided for by statute. This erroneous reporting often results in inordinate delays in finalizing various financial transactions sub-

New Jersey tax forms at your fingertips!
From your fax machine's phone, dial

609-826-4500

NJ TaxFax

NJ Tax Forms & Publications
24 Hours – 7 Days a Week



warrants - from pg. 7

sequently entered into by the taxpayer. With the aid of the twenty-one (21) County Clerks, the Division is attempting to "educate" the title industry regarding the treatment of these documents.

The Warrant of Execution itself has been modified to include a statement indicating that the document *expires 60 calendar days after recording*; which should be relied upon as sufficient evidence that the document does expire. In addition, the Division has provided each county with a listing of all expired Warrants of Execution for the period July 1, 1991 through March 31, 1998. Effective April 1, 1998, any Warrant of Execution being filed in any county *must* contain a statement regarding expiration. It is believed that this process will aid taxpayers in their ability to enter into financial transactions without undue delays, subsequent to the extinguishing of their debt with the Division. □

Process Service in Bankruptcy Cases

When litigating a bankruptcy case against an agency of the State of New Jersey, many attorneys have questions about how to properly serve a motion or adversary proceeding on the State of New Jersey. This article will establish that the proper method of serving motions and adversary complaints on the State of New Jersey is to serve the Attorney General's Office and not the State agency itself. To reach this conclusion, we will review two Federal rules of bankruptcy procedure ("Bankruptcy Rules") and one New Jersey Court rule.

Initially, we must turn to Bankruptcy Rule 9014. This Bankruptcy Rule provides that motions in contested proceedings shall be served in the "manner provided for service of summons and complaint under Bankruptcy Rule 7004."

Specifically, Bankruptcy Rule 7004(b)(6) explains how to serve the State of New Jersey. This rule sets forth that service upon a state is made by "mailing a copy of the summons and complaint to the person or office upon whom process is prescribed to be served by the *law of the state* in which service is made when an action is brought against such defendant in the courts of general jurisdiction of that state, or in the absence of the designation of any such person or office by state law, then to the chief executive officer thereof." Under this Bankruptcy Rule the chief executive officer is served only if state law does not prescribe a method of service on the state.

Pressler, 1988 N.J. Court Rules, (Gann), R.4:4-4(a)(7) sets forth how a party should serve the State of New Jersey. This rule requires that service upon the State of New Jersey be made by "registered, certified or ordinary mail of a copy of the summons and complaint or by personal delivery of a copy of the summons and complaint to the *Attorney General* or the *Attorney General's designee** named in a writing filed with the Clerk of the Superior Court." This court rule further provides that "[n]o default shall be entered for failure to appear unless personal service has been made under this paragraph." Since N.J. Court R.4:4-4(a)(7) designates the Attorney General as the party to serve, the chief executive officer is not the proper party.

The Attorney General administers the Department of Law and Public Safety ("Department"). N.J.S.A. 52:17A-3. Since this Department is comprised of several Divisions, the next question is which Division within the Department represents State agencies. The Division of Law, a part of the Department, represents "state agencies in all proceedings or actions of any kind which may be brought against them in any court of this State." N.J.S.A. 52:17A-4. Since the Division of Law represents State agencies, if a party is filing an action against a State agency, the Division of Law is the proper entity to serve within the Attorney General's Office.

The correct mailing address for the Division of Law is:

OFFICE OF THE ATTORNEY GENERAL
DIVISION OF LAW
RICHARD J. HUGHES JUSTICE COMPLEX
25 MARKET STREET
PO BOX 112
TRENTON NJ 08625-0112

If a party is filing a motion and knows the name of the Deputy Attorney General who has been assigned to the case, but does not know the address, he or she should mail the motion to the attention of the attorney at the above cited address. Additionally, if the party knows the attorney's address, he or she could send it to the attorney and to the above cited address. Needless to say, as a courtesy, an attorney may also serve a State agency, but this service does not meet the requirements of service set forth in Bankruptcy Rules 9014 and 7004(b)(6).

Proper service benefits all parties to a bankruptcy proceeding because proper service ensures that a

bankruptcy cases - from page 8

Deputy Attorney General in the Attorney General's Office, Division of Law, will timely receive the motion or complaint. Proper service ensures that the bankruptcy case will proceed in an orderly manner.

Although the road to the answer on how the properly serve the State of New Jersey is not simple, the answer is clear. A party must serve the Attorney General for service to be valid on the State of New Jersey. Since the Division of Law represents State agencies, it is the proper party to serve within the New Jersey Attorney General's Office.

* The Attorney General designates certain persons within the Division of Law to accept service. Periodically, the *New Jersey Law Journal* publishes the Attorney General's designees. □

Common EFT Errors

Many taxpayers who are required to remit electronically for gross income tax employer withholdings and/or sales and use tax are under the misconception that they no longer have to file tax returns, especially the employer quarterly reconciliation, Form NJ-941-W and the sales tax quarterly return, Form ST-50. As a result, these taxpayers are receiving delinquency notices for not filing the appropriate forms, and are assessed late filing penalty when they ultimately do file the missing returns. Since the sales and use and gross income withholding taxes are self-assessed, the required returns must be filed in order to establish a taxpayer's

liability for an applicable tax period. **Remitting payments electronically does not relieve a taxpayer from filing the required tax returns.**

The frequency of an employer's payroll does not determine whether or not he should be a weekly remitter, but rather, the amount of total withholdings for the prior year. An employer who had gross income tax withholdings *greater than \$20,000* in the previous year *must* remit weekly and *must* remit *electronically*, even if that employer does not have a weekly payroll. If an employer has been determined to be a weekly remitter, withholdings are due the *Wednesday following the period in which the payroll is paid*. In establishing the applicable Wednesday due date, the withholding period runs from Sunday through Saturday. The employers in all of the following examples are consider weekly remitters.

Example 1: An employer with prior year withholdings of \$30,000 has a semi-monthly payroll. During April of 1998, employees were paid on Wednesday, April 15 and Wednesday, April 29. The April 15 withholdings were due on Wednesday, April 22, and the April 29 withholdings were due on Wednesday, May 6.

Example 2: An employer with prior year withholdings of \$25,000 has a monthly payroll. During April of 1998, employees were paid on Thursday, April 30. The withholdings were due on Wednesday, May 6.

Example 3: An employer with prior year withholdings of \$75,000 has a quarterly payroll.

The withholdings for the quarterly payroll paid on Tuesday, March 31, 1998, were due on Wednesday, April 8.

Many payroll services and banks are incorrectly remitting their clients' electronic payments by either failing to complete the *name control* field, or by using the Federal format of last name first when the client is registered differently with the Division.

Example: Dr. James Q. Citizen has registered with the Division as Dr. James Q. Citizen, P.A., and as such the name control for New Jersey filing should be "DRJA" and not "CITI."

Because of incomplete or erroneous name controls, payments will reject and not post to taxpayers' accounts. When the return is filed, which is preprinted by the Division with the correct name control, it *will* post to the taxpayers' account. Since the payment did not, an underpayment will apparently exist and a bill will be generated, creating additional work and frustration for both the Division and taxpayers alike. □

Compliance Award Program

On January 20, 1998 Acting Director Robert K. Thompson, Deputy Director Harold Fox, and Assistant Director David Gavin handed out eleven awards recognizing Compliance Activity employees that made outstanding contributions to the Division of Taxation. Ten employees were honored with Compliance Achievement Awards and one employee received the Compliance Exemplary Employee Awards.

continued on page 10

achievement awards - from pg. 9

Compliance Achievement Awards were given to employees in recognition of specific contributions to the Division such as serving on special projects or committees, accomplishments, suggestions, dedication/loyalty, leadership, or general work ethics. The Achievement Award recipients were: Betty Bossert and Ivan Gehman from Special Procedures, Jeff Kerman from Compliance Services Branch, and Albert Katowitz, David Leone, Dennis Cavanaugh, Bill Bay, Robert White and Robert Winter from the Investigations Branch.

The Compliance Exemplary Employee Award was given to Sea Girt Investigator Don Smith to recognize his individual initiative, excellence, and most significant overall contribution to his work unit and the Division of Taxation.

The newly created annual awards program is another way for senior Division management to recognize positive accomplishments of employees within Compliance Activity. Nominations for either of these awards are submitted on a Compliance Award Program Nomination Sheet to the Assistant Director, Compliance and an informal award ceremony is held on an annual basis. □

LOCAL PROPERTY TAX County Tax Board Members Confirmed

In 1997, the Senate confirmed 18 appointments made by Governor Whitman of members to county boards of taxation. Names of the individuals and the dates of confirmation follow:

Atlantic County	
Lucia McCabe	1/16/97
Harry Brown	6/05/97
Burlington County	
Katharine M. Krasson	3/24/97
Samuel P. Alloway, Jr.	6/16/97
Cape May County	
Philip F. Judyski	6/05/97
Cumberland County	
Walter F. Gavigan	6/05/97
Essex County	
Catherine F. Willis	6/16/97
Albert A. D'Alessio	6/26/97
Gloucester County	
Francis A. McDevitt	3/24/97
Hudson County	
Frank M. Alonso	3/24/97
Mercer County	
H. Rick Kline	12/01/97
Middlesex County	
Joseph J. Nita	6/16/97
Irving Verosloff, Esq.	6/16/97
Monmouth County	
John E. Westlake	6/16/97
Hope G. Brodsky	12/01/97
Sussex County	
Joseph S. Masar	6/16/97
Warren County	
John E. Joyce, Jr.	3/24/97
Walter S. Orcutt	3/24/97
	□

LOCAL PROPERTY TAX Tax Assessors' Calendar

July 1–

- Disallowed property tax deduction recipients, granted an extension, required to pay deduction previously granted. If unpaid, become real property liens.

- MOD IV Master file sent to Property Administration via magnetic tape.
- Assessor to mail form to claim a continuance of valuation under the Farmland Assessment Act for the tax year 1999 together with a notice that the completed form must be filed with the assessor by August 1, 1998 to each taxpayer whose land was assessed for tax year 1998 under the Act.

2nd Tuesday in July–

- State Equalization Table prepared.

August 1–

- Owners of farmland must file an application (Form FA-1) with the assessor to have land assessed under Farmland Assessment Act.

August 5–

- All SR-1A forms showing information to be used in compiling the 1998 Table of Equalized Valuations for State School Aid to be received by Property Administration.

August 15–

- County Board of Taxation Presidents to annually file a report to the Director, Division of Taxation.

August 25–

- Completion of State Equalization Table by Director, Division of Taxation.

September 1–

- Extension to file Form FA-1 where assessor has determined failure to file by August 1 was due to illness of the owner, death of the owner or an immediate member of the owner's family.

continued on page 11

assessors' calendar - from page 10

- Tangible business personal property returns of local exchange telephone, telegraph and messenger systems companies, with respect to tax year 1998 and thereafter, are required to be filed with the assessor for the taxing district in which the said property is located.

September 13-

- Table of Aggregates transmitted within three days to Taxation and Local Government Services Directors, State Auditor, municipal clerk, and clerk of board of freeholders by County Boards of Taxation.

September 15-

- Assessor to file statement of taxable value of State-owned real property with Director, Division of Taxation. □

Criminal Enforcement

Criminal Enforcement over the past months included:

- On January 16, 1998, in Superior Court – Camden County, Moshe Levkowitz, of Vineland, was sentenced to five years probation and ordered to pay restitution to the State of \$125,000 tax, penalty and interest as a result of Levkowitz's guilty pleas to charges that he filed 32 fraudulent sales tax returns from 1989 to 1996 that underreported sales tax collected at Levkowitz's used car business, Roey's Auto, Vineland, by \$82,821. This case was investigated jointly by the Division of Taxation's Office of Criminal Investigation and the Camden County Prosecutor's Office.

- Eugene Slusker of Brooklyn, NY was sentenced by Judge Elaine L. Davis in the Hudson County Superior Court to seven years of imprisonment, giving him credit of 417 days previously served and suspended the remaining term. Slusker was placed on probation for three years and was ordered to make restitution to the State of New Jersey in the amount of \$355,467. Mr. Slusker was previously indicted on January 30, 1995 by a State Grand Jury for evading \$355,467 of motor fuel diesel taxes between the period of April 10, 1990 and August 6, 1990. Mr. Slusker, who was operating a business called Pentagon Management Co., Inc., had been indicted of five counts: theft, misapplication of entrusted property, misconduct by a corporate official, failure to file returns and failure to pay taxes.
- On January 21, 1998, in Municipal Court of Palisades Park Borough, Satnam Singh, of Palisades Park, entered a plea of guilty to one count of failure to maintain records relating to the disposition of 1,429,118 gallons of diesel fuel sold by Singh's company, Cheema Oil Corp., a truck stop in Palisades Park, between November 1994 and May 1997. The amount of tax exemption claimed was \$192,930. Singh was fined \$625 as a result of the guilty plea, and faces civil collection of the tax on the sales alleged to be tax exempt but unsupported by the required records.
- On February 10, 1998, in Jersey City Municipal Court, Luis E. Alvarez of Union, NJ, pleaded

guilty to failing to file tax returns and failing to remit \$4,414 in motor fuels tax for the period January through August 1997. He was sentenced to 60 days in jail (suspended) and fined \$810.

- On February 10, 1998, in Jersey City Municipal Court, a bench warrant was issued for Lasarev Kirkorian, of Englewood Cliffs, NJ. Kirkorian failed to appear on charges of failing to file returns, failing to remit \$7,331.61 in motor fuels tax, selling gasoline without a license, and selling diesel fuel without a license at his business, Sunny's Mobil, Jersey City, NJ.
- On March 19, 1998, Bergen County Prosecutor Schmidt announced that an eight-count indictment for tax evasion was handed up by a Bergen County Grand Jury, on Manjit Singh, a medical doctor in Mahwah. Dr. Singh is alleged to have bilked the State on New Jersey out of over \$165,000 by failing to report income derived from his alleged criminal conduct. The alleged criminal conduct is the subject matter of an eighty-two count indictment that is currently pending. Singh failed to report income from 1992, 1993, 1994 and 1995. Singh, if convicted, faces 40 years in New Jersey State Prison and \$120,000 in fines. This case resulted from a joint investigation between the Bergen County Prosecutor's Office and OCI.
- A Hudson County Grand Jury indicted Mario Rivellini, of Clifton, on charges for failing to file tax returns, failing to turn over

criminal enforcement – from pg. 11

taxes collected, misapplication of entrusted property, and providing false information to the Division between January 1, 1997, and December 31, 1997. Rivellini is the owner and responsible person of M & R Cleaning Services Inc., of Kearny, which is a commercial cleaning firm operating in Jersey City. Each charge is punishable by up to five years imprisonment and a fine of up to \$7,500 or twice the amount of tax evaded. This case was investigated jointly by the Police Division of the Waterfront Commission of New York Harbor and the New Jersey Division of Taxation.

- Eight guilty pleas for eight cases were entered in municipal courts throughout the State by individuals and businesses for noncompliance with the cigarette tax law. These eight cases resulted in the imposition of fines and penalties totaling \$3,985.
- Twenty-four charges were filed in municipal court on eight cases for violating the cigarette tax law including possession of 800.1 cartons of contraband cigarettes, valued at \$20,002.50. In one of the cases, Abdulkareem K. Ali of Brooklyn, NY was arrested and charged with possession of 766 cartons of contraband cigarettes, transportation of contraband cigarettes, no invoices and no consumer licenses. The arrest was based upon a joint investigation with Northern Virginia Tax Board Investigators, OCI and the NJ State Police. □

Enforcement Summary

Civil Collection Actions Quarter Ending - March 31, 1998

Following is a summary of enforcement actions for the quarter ending March 31, 1998.

Certificates of Debt

During the quarter ended March 31, 1998, the Division filed 3,786 Certificates of Debt in New Jersey Superior Court. These CODs, which have the same force and effect as docketed judgments, totaled \$45.8 million.

Levies

\$50,827 was collected by levying against payments made under State contracts to satisfy debts owed by State vendors.

Jeopardy Assessments

When a vendor is found to have failed to register his or her business or failed to collect and remit sales taxes or file tax returns, the Division of Taxation has the authority to make an immediate, on-site assessment of tax due (referred to as a “jeopardy assessment”) and may seize all available assets to satisfy the on-site tax assessment.

The Division makes jeopardy assessments when there is a danger that a non-compliant vendor will discontinue operations, remove his or her business property and flee the State. This remedy is often necessary in cases involving transient vendors, out-of-State businesses operating in New Jersey, or vendors operating from non-fixed locations, such as roadside sales, flea markets or trade shows.

If the liability is not resolved, the seized property can be sold at public auction and the proceeds used to satisfy the tax debt.

For the quarter ending March 31, 1998, \$57,013 was collected from jeopardy assessments. Two jeopardy seizures were conducted.

Seizures

When a liability, for which the Division of Taxation has secured judgments, cannot or will not be satisfied by a taxpayer and all other means of collection of the debt have been exhausted, seizure of the business and personal assets will take place. Field Investigators will close a business, seizing any tangible assets including licenses, inventory, machinery, furniture, vehicles, etc., until arrangements are made for payment of the debt.

For the quarter ending March 31, 1998, property of 34 businesses was seized. Some businesses were able to reopen, others remain closed. A listing of these seizures appears on pages 15–17.

Auctions

If the liability of a business seized by the Division is not satisfied or resolved, the business will remain closed. To satisfy the debt, the Division can sell the business assets at a public auction.

During the quarter ending March 31, 1998 eleven (11) auctions were held by the Division. A listing follows on page 17.

In the event an auction does not net enough monies to resolve the debt, the Division will execute against the personal assets of any

continued on page 13

NEW JERSEY DIVISION OF TAXATION

1998 SURVEY OF TAX PROFESSIONALS

Dear Tax Preparer:

The New Jersey Division of Taxation continually strives to make information easily available to both the general public and tax practitioners. Advanced technology has made it possible for us to provide forms, information and assistance not only in person or through the mail but also by fax and through the Internet. NJ TeleFile and electronic filing programs enable taxpayers and tax preparers to file paperless returns.

In order to improve our taxpayer services, we would like your opinion of the services we currently provide as well as any suggestions you may have. Please take the time to complete this survey and return it to us. Your comments will help us serve the taxpayers of New Jersey better.

Robert K. Thompson
Acting Director
New Jersey Division of Taxation

1. How many times did you use the Tax Hotline (609-588-2200) over the past 12 months?

- | | |
|--|--|
| <input type="checkbox"/> Over 10 times | <input type="checkbox"/> 1-5 times |
| <input type="checkbox"/> 5-10 times | <input type="checkbox"/> Not used (Go to question 3) |

2. How would you rate the services provided by the Tax Hotline (609-588-2200)?

- | | |
|--|----------------------------------|
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Average |
| <input type="checkbox"/> Above Average | <input type="checkbox"/> Poor |

Comments _____

3. How many times did you use the Tax Practitioners' Hotlines (609-633-6657 for personal income tax and 609-633-6905 for business taxes) over the past 12 months?

- | | |
|--|--|
| <input type="checkbox"/> Over 10 times | <input type="checkbox"/> 1-5 times |
| <input type="checkbox"/> 5-10 times | <input type="checkbox"/> Not used (Go to question 5) |

4. How would you rate the services provided by the Tax Practitioners' Hotlines (609-633-6657 for personal income tax and 609-633-6905 for business taxes)?

- | | |
|--|----------------------------------|
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Average |
| <input type="checkbox"/> Above Average | <input type="checkbox"/> Poor |

Comments _____

5. The Division of Taxation offers an Automated Tax Information System which allows Touch-tone telephone users to listen to pre-recorded tax information (NJ TaxTalk), order forms and publications (Forms Request Service) or check on the status of an income tax refund (ARIS-Automated Refund Inquiry System) or homestead rebate (Homestead Rebate InfoLine) (1-800-323-4400 within NJ or 609-588-2525 anywhere).

24. If you purchased the CD-ROM version of our 1997 Package NJX, did you find it easy to use? Yes No

Comments and suggestions _____

25. How would you rate the Division of Taxation's overall performance during the tax season just concluded? Excellent Average Above Average Poor

Comments _____

(Fold Here First)

Contact the New Jersey Division of Taxation

- **Home page:**
<http://www.state.nj.us/treasury/taxation/>
- **E-mail:** nj.taxation@treas.state.nj.us
- **Write to:** NEW JERSEY DIVISION OF TAXATION
TECHNICAL SERVICES TSB/OCE
PO BOX 281
TRENTON NJ 08646-0281
- **Automated Tax Information System:**
1-800-323-4400 (New Jersey only)
609-826-4400 (anywhere)
- **Tax Hotline:**
609-292-6400

FOLD SURVEY ALONG TOP AND BOTTOM FOLD LINES, SEAL WITH TAPE AND AFFIX POSTAGE.

(Fold Line)

_____Place
Stamp
Here

ASSISTANT DIRECTOR KAREN M WOOD
NEW JERSEY DIVISION OF TAXATION
TECHNICAL SERVICES ACTIVITY
PO BOX 240
TRENTON NJ 08646-0240

enforcement summary - from page 12

of the business's responsible officers. Responsible officers are held personally liable for the trust fund portion of the debt which includes, but is not limited to, sales tax, withholding tax and motor fuels tax.

Referrals to Attorney General

In cases where the Division has exhausted its administrative remedies without success, referrals are made to the Office of the Attorney General. During the quarter ending March 31, 1998, 623 such cases were referred to the Attorney General's office for additional collection.

Together, the Division's Referral Group and the Attorney General's Collection Unit have collected \$3.9 million in revenue during the first quarter of 1998.

Liquor License Program

Under a recently enacted State law, applicants for renewal or transfer of a liquor license must receive a certificate of tax clearance from the Division. This program was in effect in seven New Jersey counties in 1996 and added seven additional counties in 1997. The program will be in effect in all 21 New Jersey Counties in 1998.

During the quarter ending March 31, 1998, 183 notifications of liquor license transfer were received by the Division's Bulk Sales section. Seventeen (17) audits relating to this project and previously requested were completed; assessments from these audits totaled \$496,248. □

Tax Briefs

Gross Income Tax

Mutual Fund Distributions After Colonial Trust III — The following is a clarification of the treatment of mutual funds after the decision by the Tax Court of New Jersey *Colonial Trust III v. Director, Division of Taxation*, 16 NJ Tax 385 (1997). The Tax Court held that Federal law providing that stocks and obligations of the United States are exempt from state taxes (31 U.S.C.A. §3124) requires that distributions paid by a mutual fund must be immune from New Jersey gross income tax to the extent that they are attributable to interest earned on Federal obligations. Therefore the imposition of tax on Federal obligation income distributed by "non-qualified" investment funds pursuant to N.J.S.A. 54A:6-14.1 is barred by Federal law.

The practical effect of this decision is to remove from State taxation all Federal obligation income distributed by mutual funds. The decision does not change the calculation of New Jersey qualified investment funds under N.J.S.A. 54A:6-14.1, whereby a qualified investment fund must have at least 80% of the aggregate principal amount of all its investments in obligations which are issued by or on behalf of New Jersey or a political subdivision of New Jersey, or "which are statutorily free from State or local taxation under any other act of this State or under the laws of the United States." N.J.S.A. 54A:6-14. Federal obligations are still used to determine whether a mutual fund meets the requirements of a qualified investment fund. Regardless of whether the fund is a qualified

investment fund, however, all distributions attributable to interest earned on Federal obligations will be exempt from State tax.

Dependent Care Assistance —

The Division responded to an inquiry concerning whether amounts provided by an employer to an employee for dependant care assistance are taxed. Gross income is defined at N.J.S.A. 54A:5-1(a) to include "salaries, wages, tips, fees, commissions, bonuses, and other remuneration received for services rendered whether in cash or property." There is no specific gross income tax exemption for IRC Section 129 payments. The employee is deemed to have "constructive receipt" of the funds if the employee has the option to receive cash in lieu of benefits. If the employee has constructive receipt, the amount is included in the employee's taxable income for gross income tax purposes.

Family Investment Business —

The New Jersey gross income tax is imposed on the gross amount of the taxpayer's income. It is only where a taxpayer is engaged in a business or profession that provision is made for the deduction of costs and expenses. If a taxpayer is not engaged in the operation of a business, then dividends are taxable in the dividend category of income (N.J.S.A. 54A:5-1(f)) and interest is taxable in the interest category (N.J.S.A. 54A:5-1(e)) rather than as net profits from a business. Since dividends and interest are taxed as gross, rather than net income, any expenses attributable to such income could not offset that income.

continued on page 14

tax briefs - from page 13

In order to be able to deduct interest and other investment expenses, a taxpayer must prove to the satisfaction of the Division that he is engaged in a business rather than managing his own investments. The specific facts that will support a finding that an individual trading for his own account is in "business" have been identified in two tax court cases in New Jersey.

A business activity was found in *Marrinan v. Taxation Div. Director*, 10 N.J. Tax 542 (Tax Ct. 1989). In that case the taxpayer was engaged full time in trading securities on a short-term basis. He maintained a separate office outside his home and had one full-time and one part-time employee. At the end of each day, he tried to get out of positions taken during the day; 90% of his trades were on a day-to-day basis. He kept a separate bank account, payroll records and ledger book for his securities activities. He made an average of 15 to 20 trades a day, and in the year in issue his total trading volume was \$97,000,000.

Taxpayer's trading activities were found not to constitute business activity in *Gilligan v. Taxation Div. Director*, 11 N.J. Tax 414 (Tax Ct., 1991). In that case, a taxpayer working full time on stock activities traded approximately twelve million dollars in gross volume of securities bought and sold in 1987. The taxpayer maintained a home office, computer hardware, software and modem, and maintained a separate telephone line for his securities activity. He subscribed to Dow Phone and Dow Jones news re-

trieval services, and a cable television service in order to monitor financial news and the stock market. He had no employees, offered no goods and services to the general public and had no clients. He maintained no separate business bank account. He had no separate office outside his home, dealt through a single stock broker and had an average of three to four broker contacts a day, but fewer trades. His research consisted primarily of reviewing secondary sources. His purchases were held, on average, more than eight months, and his stated purpose was to enhance the return on his personal estate by investing in higher risk securities. The court held that "if the transactions tend to be on a day-to-day basis so that the activities are those of a day trader, and if the location of the activities and the books and records of the operation have the characteristics of the operation of a business rather than the management of a personal estate, a business activity is indicated." In *Gilligan*, the court held that this standard had not been met.

Whether or not investment activity constitutes a business activity for purposes of the gross income tax will depend on the specific facts of the situation.

IRC Section 125 Noncash Benefits—The Division was asked whether noncash benefits under I.R.C. Section 125 are excludable from gross income for purposes of the State income tax. The value of an employee's qualified option under an I.R.C. Section 125 cafeteria plan may be excluded under very limited circumstances, as provided in N.J.S.A. 54A:6-24. If the plan is a "salary reduction

plan," that is, the employee may choose the benefits in lieu of salary, the plan will not qualify for the exclusion. (Examples of salary reduction plans include flexible spending accounts and premium conversion options.) If the plan includes an option to receive cash in lieu of a qualified employer-provided benefit, to be excluded from gross income the option may only be exercised if the employee derives a similar benefit from a source other than the employer (e.g., through the insurance of the employee's spouse). Most Section 125 plans are salary reduction plans and do not qualify for the 54A:6-24 exclusion.

Litter Control Tax

Beverage Syrup—A manufacturer of a beverage syrup product sold in glass containers with sales in New Jersey inquired as to its subjectivity under the litter control tax.

The Clean Communities and Recycling Act levies a litter control tax on all manufacturers, wholesalers, distributors and retailers engaged in business in New Jersey on the gross receipts from sales of litter-generating products within and into the State. N.J.S.A. 13:1E-99.1a.

Litter-generating products are defined in the Act, at N.J.S.A. 13:1E-94e, to include the following fifteen categories of products:

1. Beer and other malt beverages
2. Cigarettes and tobacco products
3. Cleaning agents and toiletries

continued on page 18

Division of Taxation Seizures (January - March 1998)

Note: Businesses listed may have satisfied their tax liability or otherwise come to agreement with the Division following the date of seizure and may now be reopened.

County	Name/Address	Seizure Date	Business Type	Status
Atlantic	Woodo, Theodore F. t/a Tedco Vending 313 Gravel Bend Rd. Egg Harbor	3/4/98	Vending machines	Vehicles released
Bergen	246 Broad Ave Inc. t/a C&E Deli Liquors 246 Broad Ave. Palisades Park	3/6/98	Deli/liquor store	Liquor license seized
Burlington	Davis, Preston Mt. Laurel	2/29/98	N/A	Vehicle seized
	Serafine, Brian t/a B&B Landscaping 100 Hawkins Rd. Tabernacle	2/26/98	Landscaping	Vehicle released
	K&K, Inc. t/a East Coast Subs 13 Jackson Rd. Medford	3/10/98	Restaurant	Reopened
Camden	More Income, Inc. t/a Big C Super Discount Liquor 31 Mount Ephriam Ave. Camden	2/3/98	Liquor store	Liquor license seized
	Kahn, Mautz Camden	3/16/98	Mobile food cart	Released
Cape May	Waldo, Inc. t/a CR Fannies 447 W. Rio Grand Ave. Wildwood	3/11/98	Bar	Liquor license seized
Cumberland	Zemanik, Richard t/a Z-Best Painting 857 Magnolia Rd. Vineland	2/26/98	Painting	Vehicle seized
Essex	Bell Monte, Inc. 209 Irving Turner Blvd. Newark	1/23/98	Bar	Liquor license seized
	Ms. Ellie's Inc. t/a Ricci's in the Valley 459 Valley St. Orange	2/26/98	Restaurant	Liquor license seized
	MCDE Brad Corp. t/a The Cave Lounge 417 Halsey St. Newark	3/17/98	Bar	Liquor license seized
	Delmone Corp. t/a Centre Liquors 92 Centre St. Nutley	3/18/98	Package goods	Liquor license seized

continued on page 16

taxation seizures – continued from page 15

County	Name/Address	Seizure Date	Business Type	Status
	The Ellington Corp., Inc. t/a Club Renee 507 S. 17th St. Newark	3/18/98	Bar	Liquor license seized
	Lyon, Larry D. t/a Club Mahogany 474-476 Avon Ave. Newark	3/30/98	Bar	Liquor license seized
Gloucester	Krips, John A. t/a Krips Auto Body Delsea Dr. Hurffville	2/5/98	Body shop	Open
	Davis, Vernon Clayton	3/6/98	N/A	Vehicle seized
Hudson	VCP Corp. t/a Venice Resteraunt 31 Cottage St. Bayonne	1/13/98	Restaurant/bar	Closed Liquor license seized
	Walls Tavern Corp. t/a Roost III 1500 43rd St. North Bergen	3/5/98	Tavern	Liquor license seized
	Aztec Amusement Inc. t/a Dohoney's 746 Westside Ave. Jersey City	3/17/98	Bar	Closed
Mercer	Jess Bar & Grill, Inc. t/a Intake Lounge 602 Federal St. Trenton	2/10/98	Bar	Reopened
Middlesex	Summit Restaurant Association, Inc. t/a La Fontana New Brunswick	2/17/98	Restaurant	Reopened
	Tall Stem, Inc. t/a Babe's Bottle Shop 104 N. Broadway South Amboy	2/20/98	Bar	Liquor license seized
Monmouth	1501 License Corp. t/a The Polo Club 1501 Hwy. 35 Neptune	1/16/98	Nightclub	Liquor license released
	Brooks, Peter & Rosemary Neptune	2/19/98	N/A	Vehicles released
	Paradise Enterprises, Inc. t/a Club Marz 160 Ocean Ave. Long Branch	3/31/98	Bar	Liquor license seized
Morris	Nadara, Andrew & Wladyslaw t/a Andrezej's 4X4 Center 700 Berkshire Valley Rd. Wharton	2/24/98	Auto repair	Reopened

continued on page 17

taxation seizures – continued from page 16

County	Name/Address	Seizure Date	Business Type	Status
	Nahavandi Rugs 237 Main St. Chatham	3/2/98	Carpet store	Inventory seized
Passaic	SS Clinton, Inc. t/a Pioneer Tavern 1899 Clinton Rd. Hewitt	1/9/98	Restaurant	Liquor license seized
Somerset	Tequila Ville, Inc. t/a Break for the Boarder 1011-1023 Rte. 22 West North Plainfield	2/25/98	Restaurant	Liquor license seized
Sussex	Hamburg Music t/a Maxie's Country Meadows Inn 59 Rte. 23 Wantage	1/22/98	Restaurant	Liquor license seized
Union	Tri-Track Enterprises t/a Scotchwood Liquors 2261 South Ave. Scotch Plains	1/7/98	Liquor store	Liquor license seized
	214 Lt. Glenn Zamorski Drive, Inc. t/a Caspian Tavern 214 Lt. Glenn Zamorski Dr. Elizabeth	3/17/98	Bar	Liquor license seized
	La Feria Inc. t/a La Feria 311-317 W. Front St. Painfield	3/17/98	Restaurant	Liquor license seized

***Division of Taxation Auctions
(January - March 1998)***

County	Name/Address	Auction Date	Business Type	Assets Auctioned
Atlantic	CBO Inc. t/a Tycoons 300 Railroad Ave. Hammonton	2/25/98	Bar	Liquor license
Bergen	CNT Enterprises Inc. 26 Ridge Rd. North Arlington	1/21/98	Bar	Liquor license
Camden	Zone Imports Inc. 50 Garrett Rd. Upper Darby, PA	1/21/98	Transient vendor	Calculators
Essex	Alex Frankel Photography Inc. 193 Ferry St. Newark	1/26/98	Photography studio	Photography equipment

continued on page 18

taxation auctions – from page 17

County	Name/Address	Auction Date	Business Type	Assets Auctioned
Hudson	Hardy’s Liquor & Deli 520 Ocean Ave. Jersey City	2/10/98	Liquor Store	Liquor license
	George’s Wine & Deli 381 A Ocean Ave. Jersey City	2/10/98	Liquor Store	Liquor license
Middlesex	Stein, Ethan R. 211 Locust Ln. Irvington, NY	1/21/98	Transient vendor	Books
	Oznam Corp t/a Virgos Rt. 130 & Davidson Mill Rd. North Brunswick	2/25/98	Bar	Liquor license
Passiac	Broadway Liquors 270 Broadway Paterson	1/21/98	Liquor Store	Liquor license
	Qarmout & Sons, Inc. t/a Q & S Convenience Food Store 766 Hamburg Tpke. Pompton Lakes	1/21/98	Deli	Liquor license
Union	Tri-Track Enterprises t/a Scotchwood Liquors 2261 South Ave. Scotch Plains	1/27/98	Liquor Store	Liquor license

tax briefs - from page 14

- 4. Distilled spirits
 - 5. Food for human or pet consumption
 - 6. Glass containers sold as such
 - 7. Groceries
 - 8. Metal containers sold as such
 - 9. Motor vehicle tires
 - 10. Newsprint and magazine paper stock
 - 11. Nondrug drugstore sundry products
 - 12. Paper products and household paper
 - 13. Plastic or fiber containers made of synthetic material sold as such
 - 14. Soft drinks and carbonated waters
 - 15. Wine
- The sale of beverage or beverage syrup would be the sale of a litter-generating product — food for human consumption — for litter control tax purposes.
- The fact that the glass containers used in the sale of the syrup product may be ultimately recyclable is irrelevant. There is no exclusion in the Act for sales of litter-generating

products in recyclable containers. Sales of the beverage syrup product in New Jersey are subject to the tax. Sales of such product shipped out-of-State for out-of-State use are not subject to the tax.

Sales of Beverages — Under N.J.A.C. 18:38-3.1(b)5.i, receipts from sales of restaurant meals and other prepared food or beverages for on-premises consumption are not subject to the litter control tax, under certain conditions. This exemption from tax only includes beverages which are not expressly subject to the litter control tax.

tax briefs - from page 18

The Act clearly specifies that all sales of items in the following categories result in taxable receipts, whether or not any are sold by the vendor for on-premises consumption:

1. Beer and other malt beverages;
2. Distilled spirits;
3. Wine; and
4. Soft drinks and carbonated waters. (See N.J.S.A. 13:1E-94.)

Thus, it is clear that receipts from sales of the above-categorized beverages, for on-premises consumption, are subject to litter control tax.

The Act requires that a product be produced, distributed or purchased in disposable containers or have some other litter-generating characteristic. See N.J.S.A. 13:1E-94(e). The Act contains no requirement that the litter-generating product be purchased, *by the ultimate consumer*, in disposable containers, packages or wrappings. Similarly, the Act provides no tax exemption for sales for which the retailer, rather than the consumer, disposes of the container, package or wrapping associated with the litter-generating product.

On the other hand, if the restaurant or bar purchases some of the bar beverages in *returnable* (not just recyclable) containers and sells those beverages without any disposable packaging or wrapping, the sales of those beverages would not be subject to the litter tax. Examples are: beer or wine in reusable kegs or beer in reusable bot-

tlers purchased in reusable (non-disposable) cartons.

Sales and Use Tax
Titling and Registration Guidelines for Motor Vehicle Dealers in Lease Transactions —

Situation One

Vehicle is sold to a leasing company by a New Jersey dealership that has no interest in the ultimate lease of the vehicle (the lessee is not the dealership's customer)—

When the dealership sells a vehicle to a *registered* leasing company which will lease the vehicle to a lessee, exemption code 9 (sale for resale) can be used when the dealer affixes its Sales Tax Satisfied Stamp when assigning the Manufacturer's Certificate of Origin or other title document to the leasing company that purchases the vehicle. The leasing company is responsible for remitting the lessor's use tax on the lease transaction. The leasing company must also stamp the title document with their own Sales Tax Satisfied Stamp and enter the purchase price, tax amount, etc. If the leasing company is *not registered* as a vendor/dealer in this State, see situation three below.

Situation Two

New Jersey dealership enters into a motor vehicle lease and assigns the lease to a lease funding source, with title to be issued in the name of the lease funding source—

When the dealership initiates a lease and assigns the lease and ownership of the vehicle to a lease funding source, the dealership is

the lessor and should affix its Sales Tax Satisfied Stamp to the title document and indicate the lessor's tax that will be remitted. The dealer should complete the Lessor's Certification (ST-40) and provide a copy to the lessee and the lease funding source. The dealership must remit the lessor's tax to the Division.

Situation Three

Vehicle is sold by an *out-of-State* dealership to an *unregistered*, out-of-State leasing company with delivery to be made to a New Jersey lessee through the New Jersey dealership (a "courtesy delivery"). The New Jersey dealership does not have any ownership interest in the vehicle and has not entered into the lease with the New Jersey resident. As a courtesy, the New Jersey dealership delivers the vehicle and assists in processing the title and registration documents on behalf of the out-of-State dealership—

Under these circumstances, the transaction may be processed by completing a Report of Sales Tax Paid (LS-240) which will reflect the amount of tax that is being remitted at that time. The New Jersey dealer will make payment directly to the New Jersey Division of Motor Vehicles, whether by their check or by check from the out-of-State leasing company.

Situation Four

Vehicle is sold by an *out-of-State*, *unregistered* dealership to an unregistered lease funding source in New Jersey, which is the lessor. The lessee is a New Jersey resident—

continued on page 20

tax briefs - from page 19

The presence of leased property in this State is deemed to be a place of business. N.J.S.A. 54:32B-2(i)(F). Having property out on lease in this State is sufficient contact for the State to require the company (whether a financial institution or a dealership) to register as a vendor and in the case of a motor vehicle, to obtain a Sales Tax Satisfied Stamp. Dealers/lessors should call 609-292-7330 for information on obtaining the stamp.

Situation Five

Vehicle is leased by an *out-of-State, unregistered* dealership to a New Jersey resident. The dealership, which is the lessor, then assigns the lease to an *unregistered* lease funding source in New Jersey—

The presence of leased property in this State is deemed to be a place of business in this State. N.J.S.A. 54:32B-2(i)(F). Thus, having leased property in this State is sufficient contact for the State to require the company (whether a financial institution or a dealership) to register as a vendor and in the case of a motor vehicle, to obtain a Sales Tax Satisfied Stamp. Dealers/lessors should call 609-292-7330 for information on obtaining the stamp.

Sales of Player-worn Game Jerseys — The Division replied to an inquiry concerning the sale of player-worn game jerseys when sold mounted in a frame.

Items that are otherwise entitled to an exemption from sales tax (e.g., clothing, magazines, comic books)

are no longer exempt if they are sold as collectibles, that is to say, the price reflects the condition, rarity, age or other factors.

A game jersey sold in a frame or in an otherwise preserved state is subject to sales and use tax. A game jersey personally worn by a player, which fact is reflected in its price, is subject to tax. The fact that there is a fee for registering the jersey and a letter of authenticity is further support for the position that the item's value goes beyond use as daily clothing and is indeed a collectible item.

Charge for Boarding Horses — Charges for boarding horses are generally subject to sales tax. However, if the owner of the horses is in the business of selling them, the boarding of those horses that the owner holds for sale is treated as a purchase for resale, and is therefore exempt. The customer should use a Resale Certificate (Form ST-3) to support this exemption. It must be noted that property is not deemed to be held for resale if it is used by the owner before it is sold. For example, a horse used for racing is not held for resale even though it will eventually be sold by its owners.

If the horses or other animals being boarded are "productive animals" used on a farm, the boarding fees charged to the farmer will be exempt. See N.J.A.C. 18:24-19.6 (Schedule "A"). "Productive animals" are defined as animals raised for their meat (e.g., beef cattle), for edible products they produce (e.g., dairy cows), for their fur or skin (e.g., sheep raised

for wool), for breeding purposes (e.g., brood mares on a horse farm), or for farm work (e.g., the herding dog used by a shepherd). See N.J.A.C. 18:24-19.2. The farmer should use a Farmer's Exemption Certificate (Form ST-7) to support this exemption.

Dogs Used in Business — The Division answered an inquiry regarding the incidence of tax on receipts from a "geese-chasing" service.

The facts indicate that the taxpayer has a group of border collies trained to respond to voice and hand commands. The dogs are used to move flocks of Canada geese and chase them away from corporate parks. When businesses request this service, the dogs are taken to the site to do the job under the direction of an employee of the service provider. The dogs are never rented to customers for the customers to handle themselves.

The Division views this geese-chasing work as a personal or professional service which is not subject to sales tax. N.J.S.A. 54:32B-2(e)(4)(A). Since the dogs are not sent to customers *without* a handler, the dogs are not being rented; therefore no "sale" of tangible personal property is taking place within the meaning of N.J.S.A. 54:32B-2(f). Because the service provider is not in the business of selling or renting the dogs, a resale exemption does not apply when he purchases them. The purchase of a dog used in this business is a taxable purchase of tangible personal property. N.J.S.A. 54:32B-3(a).

tax briefs - from page 20

Sales of Pumpkins and Other Decorative Items — Sales of pumpkins that are neither carved nor decorated when sold are considered food items which are exempt from sales tax. Decorated or carved pumpkins, gourds, Indian corn and other decorative items not intended for human consumption are taxable. Free hayrides which are given with the purchase of a pumpkin do not affect the taxability of the sale.

Sales of Christmas trees, wreaths and other decorative property are subject to sales tax. These are ordinary sales of tangible personal property.

Sales of Baked Goods — The Division responded to an inquiry concerning the sale of baked goods. Baked goods sold in an unheated state, in the same form and condition as commonly used by food stores, are not subject to tax unless sold for on-premises consumption. N.J.A.C. 18:24-12.3(a). If the vendor maintains the food in a heated state (heat lamps, warming trays, etc.), the sale of the baked goods is subject to tax, regardless of where consumption takes place. □

In Our Courts
Corporation Business Tax Offset of Overpayment Against Deficiencies of Merged Corporation — *Sea Land Service Inc., v. Director, Division of Taxation*, decided March 3, 1998; Superior Court, Appellate Division; No. A1565-96T3.

The Appellate Division affirmed the Tax Court's summary judgment ruling in favor of the Director, Division of Taxation. Essentially, the Tax Court held that the surviving corporation's wholly owned subsidiary's and parent's pre-merger corporate business tax (CBT) deficiencies could not be offset against the surviving corporation's pre-merger CBT overpayments. The Tax Court case was originally reported in *New Jersey State Tax News*, Volume 26, Number 2, at Page 19.

Local Property Tax Real Estate Exemption Denied — *City of Newark v. Block 322, Lots 38 & 40, etc. Apostolic Church of Deliverance*, N.J. Tax Court, on remand from N.J. Superior Court, Appellate Division; decided December 1, 1997.

At the time of this Tax Court hearing, the Apostolic Church of Deliverance had been foreclosed for deficient tax payments and was challenging its taxable status under N.J.S.A. 54:4-3.6, which provides a real estate tax exemption for qualified nonprofit religious, charitable and educational entities.

Tax Court testimony indicated that the Church's activities between 1987-1993 were appropriate exempt uses in accordance with statute, i.e., prayer meetings and daily services, Bible classes, Sunday school, day-care, occasional church dinners, etc.

In a previous hearing in the Superior Court, it was determined that the Church was ineligible for property tax exempt standing because

it had never obtained a necessary Certificate of Occupancy. But on appeal the Appellate Division held, "[t]he lack of a certificate of occupancy is not a bright line rule requiring denial of a tax exemption...." Although in violation of the city housing code, tax exemption might prevail, where otherwise qualified, if the city did not order the use to desist. (See also *Corbacho v. Mayor and Council of Newark*, 16 N.J. Tax 240 (App. Div. 1997).)

While the Tax Court concurred that the Church's failure to timely apply for exemption in accordance with N.J.S.A. 54:4-4.4 did not defeat exempt status, it rejected the Church's contention that Newark City Council had agreed, pursuant to N.J.S.A. 54:4-3.6c, to refund three years of taxes paid and was, therefore, bound as if by contract to make reimbursement. The Court ruled that a retroactive refund where timely application was not filed was not mandatory.

However, the Church's failure to appeal the pre-1993 assessments or further appeal the County Tax Board's upholding of the 1993 assessment to the Tax Court in a timely manner was fatal to the claim of exemption, even though its ownership, use and organization conformed with 54:4-3.6 exemption prerequisites. The Tax Court also stated that to void the assessments would create an unlimited statute of limitations, violate the concept that tax appeal deadlines are strictly enforced and allow a "collateral attack" in foreclosure proceedings already resolved in bankruptcy court.

in our courts - from page 21

In affirming the assessments, the Court reiterated the importance of meeting statutory appeal deadlines in tax matters. It noted if the taxpayer had timely appealed, it would have enjoyed tax exemption, would not have been tax delinquent and would have been invulnerable to tax foreclosure.

Sales and Use Tax

Taxability of Sweeping Service — *D.P.S. Acquisitions Corp., v. Director, Division of Taxation*, decided March 3, 1998; Superior Court, Appellate Division; No. A004429-96T1.

The Appellate Division affirmed the Tax Court's holding that the operation of sweeper-type vehicles suctioning parking lot debris into the vehicle, which is later emptied into dumpsters located on the parking lot, is not exempt from sales and use tax under the garbage removal exemption. The Tax Court case was originally reported in *New Jersey State Tax News*, Volume 26, Number 3, at Page 24. □

In Our Legislature

Gross Income Tax
Sale of Principal Residence — P.L. 1998, c.3 (signed into law on

March 20, 1998) conforms New Jersey law to Federal law with respect to the treatment of gains derived from the sale of a principal residence. Qualified taxpayers, regardless of age, can exclude gains of up to \$500,000 on joint returns and up to \$250,000 on single returns. The residence sold or exchanged must be owned and used by the taxpayer as his (and/or her) principal residence for periods totaling two or more years during the five-year period ending on the date of the sale or exchange. The Act applies to sales or exchanges of homes occurring after May 6, 1997. □

tax calendar

july

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
				1	2	3	4
1	5	6	7	8	9	10	11
9	12	13	14	15	16	17	18
9	19	20	21	22	23	24	25
8	26	27	28	29	30	31	

July 10

- CWIP-1** Cigarette Tax—Informational report by wholesalers
- CWIP-2** Cigarette Tax—Informational report by wholesalers

July 15

- CBT-100** Corporation Business Tax—Annual return for accounting period ending March 31

July 15 - continued

- CBT-150** Corporation Business Tax—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

July 20

- CR-1 & CNR-1** Cigarette Tax—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers
- GA-1D** Motor Fuels Tax—Distributor's monthly report of gallons of fuel sold or used
- GA-1J** Motor Fuels Tax—Jobber's monthly report of gallons of fuel
- MFT-10** Motor Fuels Tax—Monthly report by seller-user of special fuels for sales and/or use in the previous month
- SCC-5** Spill Compensation and Control Tax—Monthly return
- ST-20** New Jersey/New York Combined State Sales and Use Tax—Quarterly return

July 20 - continued

- ST-50** Sales and Use Tax—Quarterly return
- ST-250** Combined Atlantic City Luxury Tax/State Sales Tax—Monthly return
- ST-350** Cape May County Tourism Sales Tax—Monthly return
- ST-450** Sales and Use Tax—Salem County—Quarterly Return
- TP-20** Tobacco Products Wholesale Sales and Use Tax—Monthly return
- UZ-50** Combined State Sales Tax/Urban Enterprise Zone Sales Tax—Monthly return

July 27

- PPT-40** Petroleum Products Gross Receipts Tax—Quarterly return

July 31

- NJ-941 & NJ-941-W** Gross Income Tax—Employer's quarterly return

continued

continued

august

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
1							1
9	2	3	4	5	6	7	8
9	9	10	11	12	13	14	15
9	16	17	18	19	20	21	22
8	23	24	25	26	27	28	29
	30	31					

August 10

CWIP-1 Cigarette Tax—Informational report by wholesalers

CWIP-2 Cigarette Tax—Informational report by wholesalers

August 17

CBT-100 Corporation Business Tax—Annual return for accounting period ending April 30

continued

August 17 - continued

CBT-150 Corporation Business Tax—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

NJ-500 Gross Income Tax—Employer's monthly remittance

August 20

CR-1 & CNR-1 Cigarette Tax—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers

GA-1D Motor Fuels Tax—Distributor's monthly report of gallons of fuel sold or used

GA-1J Motor Fuels Tax—Jobber's monthly report of gallons of fuel

MFT-10 Motor Fuels Tax—Monthly report by seller-user of special fuels for sales and/or use in the previous month

SCC-5 Spill Compensation and Control Tax—Monthly return

continued

August 20 - continued

ST-21 New Jersey/New York Combined State Sales and Use Tax—Monthly return

ST-51 Sales and Use Tax—Monthly remittance

ST-250 Combined Atlantic City Luxury Tax/State Sales Tax—Monthly return

ST-350 Cape May County Tourism Sales Tax—Monthly return

ST-451 Sales and Use Tax—Salem County—Monthly Return

TP-20 Tobacco Products Wholesale Sales and Use Tax—Monthly return

UZ-50 Combined State Sales Tax/Urban Enterprise Zone Sales Tax—Monthly return

August 25

PPT-41 Petroleum Products Gross Receipts Tax—Monthly return

september

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
1			1	2	3	4	5
9	6	7	8	9	10	11	12
9	13	14	15	16	17	18	19
9	20	21	22	23	24	25	26
8	27	28	29	30			

September 10

CWIP-1 Cigarette Tax—Informational report by wholesalers

CWIP-2 Cigarette Tax—Informational report by wholesalers

September 15

CBT-100 Corporation Business Tax—Annual return for accounting period ending May 31

continued

September 15 - continued

CBT-150 Corporation Business Tax—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

NJ-500 Gross Income Tax—Employer's monthly remittance

September 21

CR-1 & CNR-1 Cigarette Tax—Monthly report of cigarettes sold or used by distributors, manufacturers, representatives and consumers

GA-1D Motor Fuels Tax—Distributor's monthly report of gallons of fuel sold or used

GA-1J Motor Fuels Tax—Jobber's monthly report of gallons of fuel

MFT-10 Motor Fuels Tax—Monthly report by seller-user of special fuels for sales and/or use in the previous month

SCC-5 Spill Compensation and Control Tax—Monthly return

continued

September 21 - continued

ST-21 New Jersey/New York Combined State Sales and Use Tax—Monthly return

ST-51 Sales and Use Tax—Monthly remittance

ST-250 Combined Atlantic City Luxury Tax/State Sales Tax—Monthly return

ST-350 Cape May County Tourism Sales Tax—Monthly return

ST-451 Sales and Use Tax—Salem County—Monthly Return

TP-20 Tobacco Products Wholesale Sales and Use Tax—Monthly return

UZ-50 Combined State Sales Tax/Urban Enterprise Zone Sales Tax—Monthly return

September 25

PPT-41 Petroleum Products Gross Receipts Tax—Monthly return

from the director's desk

Tax Season Assistance

During the income tax season from January 1 through April 15, 1998, the Division provided assistance to many taxpayers in New Jersey. This year was marked by further expansion of the NJ TeleFile program, which enables taxpayers to file State income tax returns and homestead rebate applications by telephone.

- * **Tax Hotline**
Calls answered—196,932
- * **NJ TaxFax**
Calls received—56,932
- * **Electronic Filing Program**
Returns filed—204,394
- * **TeleFile Program**
Returns filed—181,257
- * **Taxation Building Lobby**
Taxpayers assisted—9,512 (748 on April 15)
- * **Regional Offices**
Taxpayers assisted—40,203
- * **Taxation Home Page**
Visits to Division's World Wide Web site—908,000
- * **ARIS (Automated Refund Inquiry System)**
Calls received—122,475
- * **HR (Homestead Rebate) InfoLine**
Calls received—39,531
- * **TaxTalk (Automated information)**
Calls received—32,963
- * **Automated Forms Request System**
Calls received—80,881