New Jersey State Tax news

A Quarterly Newsletter ISSN 1073-6808

Volume 42, Number 4
Winter 2013/2014

inside

what's new for tax year 2013 1
requesting copies of tax returns ... 3
public auction information 4
tax assessors' calendar 4
enforcement summary stats 5
criminal enforcement 6
interest rate 6.25% 7
in our legislature 8
tax calendar 10
important phone numbers 10

Go Green, New Jersey!

NJFastFile
the way to a faster refund.

What's New for Tax Year 2013

New Jersey income tax return processing started January 31 due to the delayed opening of the tax season for Federal returns.

There have been some important changes affecting the preparation of New Jersey income tax returns and applications for New Jersey's property tax relief programs this year:

Income Tax

- ***Excludable Pensions, Annuities, and IRA Withdrawals (Line 19b)*** — There is a new line on the resident return, Form NJ-1040, on which you must report the excludable portion of any distribution from a pension, annuity, or IRA to which you made contributions.
- ***Designated Contribution*** — The Girl Scouts Councils in New Jersey Fund has been added to the list of organizations to which you can contribute on your New Jersey tax return. To donate to the new fund, you must specify code number "16" at the "Other Designated Contribution" line.
- ***Change of Address*** — A change-of-address indicator has been added to the name and address section on all New Jersey income tax returns. Mark the indicator if your address has changed since you last filed a New Jersey return or if any of the address information on your label is incorrect. Enter the current (or corrected) address information on your return.
- ***Check Amount Boxes*** — A new check amount field has been added to the first page on all New Jersey income tax returns. If you owe tax and are enclosing a check or money order with your return, you must enter the amount of your payment in the boxes provided. If you pay by credit card or e-check, leave the check amount boxes blank.
- ***Credit for Excess UI/WF/SWF; DI; FLI Withheld*** — For 2013, the maximum employee unemployment insurance/workforce development partnership fund/supplemental workforce fund contribution was $131.33, the maximum employee disability insurance contribution was $111.24, and the maximum employee family leave insurance contribution was $30.90. If you had two or more employers, you may have contributed more than the maximum amount(s). You must complete Form NJ-2450 to claim credit on your New Jersey tax return for the excess withheld.
- ***Credit for Taxes Paid to Other Jurisdictions*** — The Philadelphia nonresident wage tax rate for 2013 was 3.4985% (.034985) from January 1 to June 30, 2013, and 3.495% (.03495) from July 1 to December 31, 2013.

continued on page 2

what's new - from page 1

- ***Alternative Business Calculation Adjustment*** — If you have losses in certain business-related categories of income, you may be able to use those losses to calculate an adjustment to your taxable income. In addition, you can carry forward unused losses in those categories for 20 years to calculate future adjustments. For tax year 2013, the percentage used to calculate the Alternative Business Calculation Adjustment on Schedule NJ-BUS-2 is 20 percent, up from 10 percent in tax year 2012. The percentage is being phased in over a five-year period and will reach a maximum of 50 percent for tax year 2016 and after.

- ***E-Filing Requirement for Practitioners*** — Preparers that reasonably expect to prepare 11 or more individual gross income tax resident returns (including those filed for trusts and estates) during the tax year must use electronic methods to file those returns for which an electronic filing option is available. A tax preparer is liable for a penalty of $50 for each return he or she fails to file electronically when required to do so.

- ***Printing and Mailing of Forms NJ-1041 and NJ-1065 Discontinued*** — With the continued growth of electronic filing and the need to reduce costs, the Division of Taxation will no longer print and mail instruction booklets and forms for either the New Jersey Gross Income Tax Fiduciary Return, **Form NJ-1041**, or the New Jersey Partnership Return, **Form NJ-1065**.

- ***Email Policy*** — Due to privacy and security concerns, the Division of Taxation will no longer address specific tax account concerns through email. You can **email** general State tax questions to us; however, you should not include confidential information such as social security or Federal tax identification numbers, liability or payment amounts, dates of birth, or bank account numbers. The Division will not provide any information about the status of your income tax refund, homestead benefit, or property tax reimbursement by email. For answers to confidential questions, including specific account information or changes to your account, call 609-292-6400, write to the New Jersey Division of Taxation at PO Box 281, Trenton, NJ 08695-0281, or visit one of the Division's **regional offices** and speak to a representative in person.

- ***Identity Theft*** —The Division of Taxation has introduced a new form, the Identity Theft Declaration, **Form IDT-100**, for taxpayers who suspect that their identity has been used fraudulently or who believe they are at risk due to a lost or stolen wallet or questionable credit card activity or credit report. Once an affected taxpayer files Form IDT-100, the Division of Taxation can take immediate steps to mark their tax account and identify any questionable activity.

Property Tax Relief Programs

- ***Homestead Benefit Program*** — Information about the 2013 Homestead Benefit Program is not yet available. Please continue

continued on page 3

New Jersey State Tax ***news***

is published quarterly by the:

New Jersey Division of Taxation
Technical Services
Technical Information Branch
PO Box 281
Trenton, NJ 08695-0281

The *State Tax News* is published on the Division of Taxation's website.

Subscribe to *NJ Tax E-News* on our website to be notified when new issues become available.

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, and is accurate as of the date issued. Subsequent changes in tax law or its interpretation may affect the accuracy of the information contained in this publication. 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
Director: Michael J. Bryan

News Coordinators for This Issue:

Audit	Peggy Cook Paula Vause
Compliance	John Spera Marlene Brodowicz
Criminal Investigation	Rose Tuthill
Conference and Appeals	Patrick Ryan
Legislation	John Kelly
Property Admin.	Michael Vrancik
Regulatory Services	Maryanna Paolinie

Contributors: El-Rhonda Alston, Audrey Boyd, Kerry Czymek, Thaedra Frangos, Jennifer Garabrant, Russell Glenn, William Makar, Lee Roach, Bruce Stuck, and Ryan Villaroman.

Staff: Lauren D. Higgins, Monique M. Hughes, Terry A. McWilliams, and Sara E. Murphey.

Editor: Linda B. Hickey

what's new - from page 2

to check our website as information will be posted as it becomes available.

- ***2013 Property Tax Reimbursement (Senior Freeze)*** — The Senior Freeze (Property Tax Reimbursement) Program reimburses eligible senior citizens or disabled persons for property tax increases. Eligible residents must file a 2013 Property Tax Reimbursement Application (Form PTR-1 or PTR-2) by June 2, 2014. The 2013 applications are expected to be mailed in mid to late February.

  With very few exceptions, all income received during the year, including income which is not required to be reported on Form NJ-1040, must be taken into account to determine eligibility for the property tax reimbursement. For residents applying for reimbursements for tax year 2013, total annual income must be:

  2012: $82,880 or less, and

  2013: $84,289 or less

  These limits apply regardless of marital/civil union status. However, if your filing status was married/CU couple, and you lived in the same household, you must combine your incomes for that year.

  Note: For 2012 the State Budget limited reimbursement payments to certain applicants. Only those applicants whose 2011 income did not exceed $80,000 and whose 2012 income did not exceed $70,000 (the original limit was $82,880) were eligible to receive reimbursement payments for 2012, provided they met all the other program requirements. The State Budget may apply similar limitations for 2013. ❑

Requesting Copies of Tax Returns

You can obtain a copy of a tax return filed with the New Jersey Division of Taxation by completing and submitting Form DCC-1. If the return was filed electronically, you will receive a transcript of the information entered on the return.

A fee of $1 per page (side) must be submitted with Form DCC-1. A copy of a paper return will include all pages submitted, including attachments (schedules, W-2 forms, etc.). A transcript of an electronically filed income tax return contains six pages. Payment must be made by check or money order. *Cash and credit cards will not be*

continued on page 4

How to
Get Your NJ Income Tax Refund
FASTER!
Go Green, New Jersey! Skip the Paper.

NJWebFile
Use your computer to file your return.
Visit www.njfastfile.com to prepare your return on our secure Internet site. There's nothing to buy and there are no filing fees.

NJE-File
Use tax software or ask your tax preparer.
See a tax preparer to have your income tax return filed electronically. You can also do it yourself through an online tax preparation website or off-the-shelf tax software.

www.njfastfile.com

NJFastFile
the way to a faster refund.

copies of tax returns - from pg. 3

accepted. Make the check or money order payable to the New Jersey Division of Taxation. Write your social security number or New Jersey taxpayer identification number and "Form DCC-1" on the payment.

Mail Form DCC-1 with your payment and any other enclosures to:

New Jersey Division of Taxation
Document Control Center
PO Box 269
Trenton, NJ 08695-0269

Allow three weeks for delivery of the returns you requested.

Gross Income Tax Returns. In addition to submitting Form DCC-1 by mail, you can also obtain copies of previously filed gross income tax returns (Forms NJ-1040, NJ-1040NR, NJ-1041, or NJ-1040X) in person by completing Form DCC-1 at a Division of Taxation **regional office**.

Regional office staff will provide copies *only* to the person(s) who signed the requested tax return or to the taxpayer's representative who provides a properly completed **Form M-5008-R**. A photo ID (driver's license or other government-issued photo ID) of the taxpayer or the taxpayer's authorized representative is required when making in-person requests for copies of personal income tax returns.

If the person making an in-person request for a copy of a gross income tax return is not the person who signed the return (or is not the taxpayer's authorized representative), the request cannot be completed at the regional office. Instead, the Division will send the return copies requested on Form DCC-1 to the person who signed the return at the address on file with the Division.

Business Tax Returns. When requesting copies of returns filed for a business (e.g., corporation business tax, sales and use tax, or employer withholding returns), you must also include a request letter on company stationery signed by an officer of the company.

The Division can provide return copies only to the person who signed the return unless a signed release form or a **Form M-5008-R**, Appointment of Taxpayer Representative, which authorizes the release of the return(s) being requested is enclosed with Form DCC-1.

To request copies of returns for any tax other than personal income tax, you must submit Form DCC-1 to the Division of Taxation by mail as explained above. You cannot request copies of business tax returns in person at the Division's **regional offices**. ❑

Public Auction Information

Announcements of upcoming public auctions of seized property are published on the Division of Taxation's website under "**Auctions.**" Select the name of the business for details about that auction.

LOCAL PROPERTY TAX

Tax Assessors' Calendar

January l–

- Taxing district to file duplicate of tax map approved in the prior year with county clerk or county register of deeds.
- County Tax Board to complete hearings of added and omitted assessment appeals.
- County Tax Administrator to provide copies of Form EA-4 to assessors of municipalities having adopted tax agreement ordinances pursuant to P.L. 1991, c.441.
- Assessor to file one copy of each Farmland Assessment application (Form FA-1) with County Tax Board for tax administrator's review.

January 10 (before)–

- Taxpayer to give assessor notice of depreciation to structure occurring after October 1 and before January 1 for valuation by assessor as of January 1.

January 10–

- Assessor to file copies of Initial and Further Statements with County Tax Board.
- Assessor to file duplicate copy of municipal tax map with County Tax Board.
- Assessor to file estimated total amount of approved veteran and property tax deductions with County Tax Board.
- Assessor to file assessment list and duplicates with County Tax Board.
- Assessor to provide Forms CNC-1 and CNC-2, assessed value of new construction/improvements, local municipal purpose rate, and allowable municipal budget cap increase, to County Tax Administrator.
- Assessor to file "U.E.Z. Exemption Report" and "Five-Year

continued on page 5

assessors' calendar - from page 4

Limited Exemption Report" with County Tax Board.

- Assessor to file two copies of Form SR-3A with County Tax Board.

January 25–

- Assessor to provide schedule of office hours and appointment availability to County Tax Administrator and post in the municipal building.

February 1 (before)–

- Assessor to mail notices of current assessment and preceding year's taxes to each taxpayer.

February 1–

- MOD IV Master file sent to Property Administration via appropriate medium.
- Assessor to complete Form EA-4 (part A) for properties subject to tax agreements under P.L. 1991, c.441 and forward to County Tax Administrator.
- County Tax Administrator to furnish assessors' office hours to Director, Division of Taxation.
- County Tax Board to certify amount to which each qualified Highlands municipality is entitled to Division of Taxation and State Treasurer.

February 1 (after)–

- Assessor or County Tax Board to notify each taxpayer by mail within 30 days of any change to the assessment. Taxpayer has 45 days to file an appeal upon issuance of notice of a change in assessment.

February 10–

- Assessor to file certification of bulk mailing of Notification of Assessment with the County Tax Board within 10 days of completion of mailing. If County Tax Board completes bulk mailing, the County Tax Administrator prepares the certification within 10 days of the date the bulk mailing was completed.

March 1–

- County Tax Administrator to submit copy of equalization table to County Tax Board; each assessor; Division of Taxation; Director, Local Government Services (two copies); and post a copy at the courthouse.

March 10 (before)–

- County Tax Board to complete equalization table hearings.

March 10–

- Following confirmation of equalization table, County Tax Board to submit copy to each taxing district in the county; Director, Division of Taxation; Tax Court; and Director, Local Government Services (two copies).

Monmouth County Demonstration Program

P.L. 2013, c.15, established a Real Property Assessment Demonstration Program to make the assessment of real property more precise by using technology driven procedures and to benefit municipalities by performing annual assessment programs, thereby protecting funding of municipal budgets from the impact of losses due to appeal refunds. Monmouth County was the first county to adopt this program, which began October 1, 2013. The following dates on the assessors' calendar have been revised for municipalities in Monmouth County:

January 10–

- Assessor to file two copies of preliminary Form SR-3A with County Tax Board.

January 15–

- Deadline for taxpayers and taxing districts to file appeals of assessed valuations to County Tax Boards, or 45 days from date the bulk mailing of notifications of assessment is completed, whichever is later. **Note:** Deadline for appeals of assessed valuations over $1,000,000 to State Tax Court remains April 1 or 45 days from completion of bulk mailing of notifications, whichever is later. ❑

Enforcement Summary Statistics

Fourth Quarter 2013

Following is a summary of enforcement actions for the quarter ending December 31, 2013.

	Number	Amount
• Bank Levies	900	$ 3,668,386
• Certificates of Debt	3,934	46,385,051
• Seizures	101	1,177,350
• Auctions	9	185,579
• Warrants of Satisfaction	3,558	

Criminal Enforcement

Criminal enforcement over the past several months included:

- On August 21, 2013, Nicholas Bidic was sentenced in Cumberland County Superior Court to five years of probation as part of his plea agreement for his role in the theft of $1,237,269.65 in sales tax during the years 2008 through 2010. At the time of sentencing, Bidic provided the State with a check for $700,000 and a second check for $60,404.73 for payment towards his sales tax liability. An additional $39,595.27 was applied to his sales tax liability from a seized bank account. As per his sentencing, Bidic will be required to make monthly payments of $9,000 to the State of New Jersey for his outstanding sales tax liability plus penalties and interest. He also forfeited nine motor vehicles to the State of New Jersey as part of the criminal forfeiture proceedings. This is the result of a joint investigation with the Division's Office of Criminal Investigation (OCI) and the New Jersey Division of Criminal Justice.

- On August 23, 2013, a mail carrier, Miguel E. Duran of Paterson, was sentenced to three years in State prison for using his mail route to aid in the theft of fraudulent State and Federal tax refunds. Duran pled guilty to second-degree theft by unlawful taking. He admitted to intercepting State and Federal income tax checks and delivering them to his co-conspirators for $200 per check. This case was prosecuted by New Jersey Division of Criminal Justice Deputy Attorney General Denise Grugan. The sentencing was a result of a joint investigation with OCI and the New Jersey Division of Criminal Justice.

- On August 24, 2013, Chaudhry Iqbal was entered in the Pretrial Intervention (PTI) Program for one year. Iqbal was arrested by a special agent from OCI on August 20, 2012, at JFK Convenience store, located at 3814 Ventnor Ave., Atlantic City, New Jersey. There was a warrant for his arrest for possession of synthetic marijuana, which was seized during a prior inspection by the special agent on March 20, 2012. Iqbal was also found in possession of 12.44 cartons of contraband cigarettes during the initial inspection. Subsequent to Iqbal's arrest, an additional 11.8 cartons of contraband cigarettes were seized as well as $2,583. Bail was set at $12,000, no 10%, by the Honorable Judge Ward of the Atlantic City Municipal Court. As a condition of PTI, the seized cash was awarded to the State by Atlantic County Superior Court.

- OCI special agents participated in the New Jersey Attorney General's "TIDE" detail, which addressed violent crime and weapons in the City of Trenton. During the detail, OCI found that gangs have taken over some legitimate businesses in the city of Trenton, and are operating them as outlets for counterfeit goods such as high-end sneakers, sports team jerseys, DVDs, and music CDs. None of these businesses are in compliance with Title 54. OCI made 34 contraband seizures as well during the operation and filed numerous criminal charges against individuals and businesses. The OCI special agents received commendations from the New Jersey State Police for their work during this operation.

- On September 4, 2013, OCI special agents arrested Gregorio A. Cordero of Jersey City, New Jersey, for numerous violations involving counterfeiting of New Jersey cigarette tax stamps as well as New Jersey Motor Vehicle Commission (MVC) inspection stickers. Agents seized a computer and printer used to produce counterfeit items, which have been submitted to the Regional Computer Forensics Lab for examination. Additionally, $4,910 in U.S. currency was seized and action for forfeiture has been entered. Cordero was processed and lodged in the Hudson County Jail on $15,000 bail pending his hearing. OCI special agents were complimented by the MVC

continued on page 7

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

criminal enforcement - from page 6

Commissioner in the media for their work.

- On September 12, 2013, former Assemblyman Albert Coutinho pled guilty to third-degree theft by unlawful taking and a fourth-degree charge of falsifying or tampering with records before Superior Court Judge Gerald J. Council in Mercer County. As a result of his guilty plea, Coutinho will be permanently barred from holding public office or public employment in New Jersey. In pleading guilty, Coutinho admitted to misappropriating donations and contributions to his family's charitable foundation, the Bernardino Coutinho Foundation, between 2008 and 2012. Coutinho admitted to taking and using those donations for his own personal benefit and for purposes unrelated to any legitimate, foundation-related business. In connection with the second charge, Coutinho separately admitted that he also failed to disclose in his legislative Financial Disclosure Statements for calendar years 2008 through 2012 the income he received as a consequence of his theft and misappropriation of foundation funds. The charges resulted from a joint investigation by the Division of Criminal Justice Corruption Bureau and OCI. Coutinho was sentenced to three years' probation. He was also ordered by Superior Court Judge Gerald Council in Mercer County to perform 50 hours of community service and repay the $32,500 he stole from the Bernardino Coutinho Foundation.

- On September 18, 2013, an Atlantic County Grand Jury indicted Tariq Mehmood, the owner of the 24 Seven Food Mart on Atlantic Avenue in Atlantic City. Mehmood was indicted on two counts of fourth-degree possession of ten cartons or more of counterfeit-stamped cigarettes, two counts of third-degree distribution and/or manufacturing of counterfeit New Jersey cigarette stamps, two counts of third-degree failure to maintain records of cigarette purchases with the intent to evade the State cigarette tax, two counts of fourth-degree engaging in a cigarette transaction with an unlicensed person with the intent to evade the State cigarette tax, and one count of third-degree distribution of a prescription legend drug. On January 31, 2013, Tariq Mehmood was picked up on a search warrant granted by Atlantic City Judge Warner. OCI's special agent arrested Mehmood without incident with assistance from the Atlantic City Police Department's VICE Unit. Mehmood was given bail of $15,000, no 10%. Mehmood posted bail two days later.

- On September 27, 2013, Brian Lewis, of Pleasantville, New Jersey, a former Atlantic City Housing Authority employee, was sentenced to five years in State prison for official misconduct, theft, and New Jersey State tax fraud. Lewis fraudulently billed and received payments from the Atlantic City Housing Authority through five shell companies he owned and operated for housing repairs already performed by other companies. Lewis was guilty of defrauding and stealing a total of nearly $290,000 from the Housing Authority and the State of New Jersey. Based on an agreement with the Prosecutor's Office, charges against Lewis's wife, Shellie Williams, were dismissed upon the filing of amended tax returns. The investigation concluded that the couple failed to pay over $36,600 in State taxes by not reporting the money they fraudulently received from the Atlantic City Housing Authority.

- On October 27, 2013, Burlington County Prosecutor Robert D. Bernardi announced that a former Willingboro man was sentenced to five years in prison for filing several false tax returns that resulted in a $545,000 refund from the New Jersey Treasury Department. Kenneth Costello received the five-year sentence from the Honorable Jeanne T. Covert in Superior Court in Mount Holly. Judge Covert indicated the sentence took into consideration the

continued on page 8

Interest 6.25%

The interest rate assessed on amounts due for the period January 1, 2014 – December 31, 2014, will be 6.25%.

The assessed interest rate history is listed below.

Effective Date	Interest Rate
4/1/08	9.00%
1/1/09	7.00%
1/1/10	6.25%
1/1/11	6.25%
1/1/12	6.25%
1/1/13	6.25%
1/1/14	6.25%

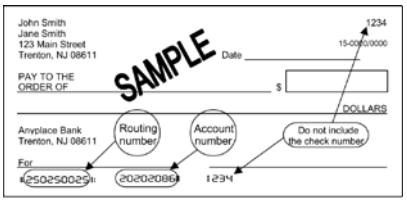
criminal enforcement - from pg. 7

defendant's history of psychiatric treatment and his lack of a criminal record. Costello must serve two years in New Jersey State prison before becoming eligible for parole. Costello, formerly of Willingboro and also Barnegat Township, pled guilty in September 2013 to financial facilitation of criminal activity, a first-degree crime more commonly known as money laundering. The investigation revealed that Costello filed four fraudulent tax returns for the 2008 tax year resulting in a refund from the State of New Jersey in the amount of $545,384. Costello eventually diverted the funds to multiple financial institutions. He purchased a $40,000 vehicle and used some of the money for living expenses. Costello was indicted in June 2012 and arrested in November at a train station in Washington, D.C. The investigation was conducted by the New Jersey Treasury Department's OCI and the Burlington County Prosecutor's Office Financial Crimes Unit. The investigation into Costello's actions began after he complained to the Willingboro bank where he deposited the refund that someone had withdrawn money without his permission. The complaint resulted in criminal charges against bank teller Lisa Jarvis, of Norcross, Georgia. Jarvis acknowledged that she created an unauthorized debit card for Costello's account in November 2009 and used it to steal nearly $100,000 over a two-year period. Jarvis had moved from Willingboro to Georgia and made more than 100 purchases before pleading guilty in October 2012 to computer theft and related charges. She was sentenced to three years in New Jersey State prison. In addition to filing the returns that yielded the $545,000 payment, Costello unsuccessfully filed another return that would have given him an additional refund of $228,000 had it not been denied by the Treasury Department. Nearly $300,000 has been recovered. ❑

Pay NJ Taxes Electronically

Electronic Check (E-Check)

www.state.nj.us/treasury/taxation/



Select "Electronic Services" to make a payment directly from your bank account

Credit Card

1-888-673-7694 www.state.nj.us/treasury/taxation/

In Our Legislature

Gross Income Tax

Compensation for Wrongful Imprisonment — P.L. 2013, c.171, signed into law on December 27, 2013, and effective immediately, increases compensation for wrongful imprisonment and excludes such compensation from New Jersey gross income.

The new law increases the amount of damages for wrongful imprisonment, if awarded, from $20,000 to $50,000 for each year of incarceration. If damages exceed $1 million, the court can order that the award be paid out as an annuity over a maximum of 20 years. The law also requires the court to award reasonable attorney fees and reimbursement of litigation costs and permits the court to award the claimant services such as counseling, tuition assistance, vocational training, housing assistance, and health insurance coverage. Once the claimant is awarded damages, any lien filed against the defendant for Public Defender services will be discharged and considered void.

Miscellaneous

Common Sense Shared Services Pilot Act — P.L. 2013, c.166, signed into law on October 16, 2013, and effective immediately, revises current law to assist in the implementation of shared services agreements by allowing abrogation of tenure rights of certain personnel, including local assessors, who may be affected by those agreements. These shared services agreements are defined in the "Uniform Shared Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-1 et seq.).

continued on page 9

in our legislature - from page 8

The Division of Taxation maintains oversight of the municipal and county assessment process. Prior to the enactment of this law, statutory requirements called for every municipality to appoint certain local officials to assess land and property values. Now, sharing of those personnel under a shared services agreement or joint contract for a joint meeting entered into pursuant to the provisions of the Uniform Shared Services and Consolidation Act may fulfill these requirements.

New Jersey Economic Opportunity Act of 2013 — P.L. 2013, c.161, signed into law on September 18, 2013, and effective immediately, merges five current incentive programs into two: the Grow New Jersey Assistance Program (GROW NJ) and the Economic Redevelopment and Growth Grant Program (ERGG). Both of these incentive programs are administered by the New Jersey Economic Development Authority (EDA). GROW NJ is the State's job creation and retention incentive program, which offers transferable tax credits. The Act expands the areas of the State within which businesses can qualify for those credits and reduces the capital investment and employment requirements. These changes will allow New Jersey to better match or surpass the financial incentive packages offered by neighboring and competing states and provide bonuses to drive development to smart growth areas in the State. ERGG, which is the State's incentive program for developers, grants tax benefits based on annual incremental State and local taxes in an effort to close project financing gaps and build public infrastructure critical to redevelopment projects. In addition, ERGG will provide bonuses to achieve public policy objectives such as bringing fresh produce to urban "food deserts," and rebuilding tourism destinations damaged or destroyed due to the effects of Hurricane Sandy.

The law phases out the Business Retention and Relocation Assistance Grant Program (BRRAG), Business Employment Incentive Program (BEIP), and the Urban Transit Hub Tax Credit Program (HUB) and incorporates many of their elements into GROW NJ and ERGG. The EDA will only process applications for BRRAG, BEIP, or HUB that were submitted to that agency on or before September 18, 2013, the date the Act went into effect. The EDA must approve any BRRAG, BEIP, or HUB applications in the pipeline on or before December 31, 2013 (some HUB approvals could be rendered 120 days from September 18, 2013). Supporting documentation for HUB grants approved prior to December 31, 2013, may be submitted no later than April 26, 2017. Current reviews of BEIP, BRRAG, and HUB proposals that were received by the EDA before September 18, 2013, will not be adversely impacted. Existing BEIP, BRRAG, and HUB grants which were to be claimed over multiple years are unaffected by the Act.

Noteworthy changes include:

- The maximum aggregate value of all HUB tax credits that may be awarded in a single year increases from $250 million to $260 million.
- Businesses that submitted an application under GROW NJ or ERGG before the enactment of the Act may amend their application to receive more favorable terms under the provisions of the Act.
- The maximum value of tax credits that the EDA can approve for the State portion of ERGG redevelopment incentive grant agreements is set at $600 million. Tax credits awarded under this program may

continued on page 10

Save The Date

2014 NESTOA Conference

North Eastern States Tax Officials Association

September 28, 2014 - October 1, 2014

Hyatt Regency
Two Albany Street
New Brunswick, NJ 08901

in our legislature - from page 9

be transferred and may not be sold or assigned for an amount less than 75% of their value.

- All GROW NJ or ERGG proposals must be submitted on or before July 1, 2019. The law requires the EDA to approve any submitted GROW NJ applications on or before July 1, 2023 (a three-year approval window with two six-month extensions).
- There are a number of newly designated geographical areas eligible for grants and tax credits, including areas not located within a distressed municipality or priority area, also including an aviation district; Planning Area 3 (as designated in the State Plan); certain portions of the Meadowlands, Pinelands, and Highlands; and certain portions of Planning Areas 4A, 4B, and 5 (also as designated within the State Plan).

In addition to the areas described above targeted for incentive financing, a newly designated targeted growth area, the Garden State Growth Zone, which consists of the four poorest urban areas in the State (Camden, Trenton, Paterson, and Passaic), as defined and designated in the current State Plan, would be eligible for incentive grants. ❑

Tax Calendar

The following links provide access to calendars listing filing and payment dates for tax year 2013 (January 1, 2013 – December 31, 2013) and tax year 2014 (January 1, 2014 – December 31, 2014) for businesses and individuals:

- **Chronological List of Filing Deadlines** — This calendar is for use by both businesses and individuals. If you are responsible for a return that is not listed in this calendar, please refer to the instructions that accompanied the return, or contact the Customer Service Center at 609-292-6400 for the appropriate filing deadline.

  2013 2014

- **Alphabetical Summary of Due Dates by Tax Type**

  2013 2014

- **Payment Dates for Weekly Payers** — An employer or other withholder of New Jersey gross income tax is designated a "weekly payer" if the amount of tax they withheld during the previous tax year was $10,000 or more.

  2013 2014 ❑

important phone numbers

Customer Service Ctr....609-292-6400
Automated Tax Info ...1-800-323-4400
.....609-826-4400
Homestead Benefit Hotline for Homeowners.....1-888-238-1233
Property Tax Reimbursement Hotline.....1-800-882-6597
Earned Income Tax Credit Information.....609-292-6400
NJ TaxFax 609-826-4500
Business Paperless Telefiling System 609-341-4800
Alcoholic Bev. Tax 609-633-7068
Corp. Liens, Mergers, Withdrawals & Dissolutions.....609-292-5323
Director's Office 609-292-6400
Inheritance Tax.....609-292-5033
Local Property Tax.....609-292-7974
Motor Fuels Tax Refunds 609-633-8878
Public Utility Tax.....609-633-2634