



ASSET TRANSFER TAX DECLARATION

P.L. 2007, Chapter 100 (A5002)
N.J.S.A. 54:50-38

New Jersey Division of Taxation
Bulk Transfers
Box 245
Trenton NJ 08695-0245

Form TTD
This form may be reproduced
(Please print or type)

Party Information

Seller's Name: _____ NJ ID# _____

Purchaser's Name: _____ NJ ID# _____

Business Type (check one)

S-Corporation * Partnership * LLC * Corporation Proprietor State of Formation _____

Return type filed to report gain: CBT NJ1040 NJ1040NR SS# _____

* Number of partners/members/shareholders: [] Every partner/member/shareholder must complete a declaration.

Will transferor operate any other business under the above referenced ID after the sale? Yes No

If yes, explain _____

Realty Location

Block(s) [] Lot(s) []

Street Address []

City [] State [] Zip []

Calculation of Estimated Tax (to nearest dollar) See reverse side for specific line instructions.

| | | | |
|---|-----|----|-------------------------|
| 1. Consideration / Purchase Price | 1. | \$ | _____ , _____ , _____ . |
| 2. Settlement Charges | 2. | \$ | _____ , _____ , _____ . |
| 3. Non Depreciated Cost | 3. | \$ | _____ , _____ , _____ . |
| 4. NOL Carryover and/or Current Year Loss | 4. | \$ | _____ , _____ , _____ . |
| 5. IRC Section 1031 Exchange (if applicable) | 5. | \$ | _____ , _____ , _____ . |
| 6. Gain (subtract lines 2, 3, 4 & 5 from line 1) | 6. | \$ | _____ , _____ , _____ . |
| ❖ 7. Amount of Gain Deferred (if applicable) | 7. | \$ | _____ , _____ , _____ . |
| 8. Current Year Gain (subtract line 7 from line 6) | 8. | \$ | _____ , _____ , _____ . |
| 9. _____ % Share of Gain if K-1 (multiply line 8 by percentage) | 9. | \$ | _____ , _____ , _____ . |
| 10. Applicable Tax Rate | 10. | | _____ % _____ . |
| 11. Estimated Tax on Gain Due (line 9 multiplied by line 10) | 11. | \$ | _____ , _____ , _____ . |

❖ **Will there be installment proceeds?** Yes No (if yes, give details on reverse side.)

Taxpayer's Declaration

I declare that all the information on this declaration is correct. I am aware that if any of the foregoing information provided by me is knowingly false, I am subject to punishment.

Date _____ Owner/Partner/Member Signature _____

Print _____

Title _____

N.J.S.A. 54:50-38 instructs the Director, Division of Taxation, to notify the purchaser, transferee or assignee of business assets of any possible claim for State taxes. This directive includes all final business tax returns and payment.

Procedure

The estimated tax on the gain portion of the escrow to be held at closing is initially calculated by multiplying the gross consideration by the tax rate of the taxpayer.

- ❖ Upon completion of this declaration, submission to and review by the Division, the estimated tax on the gain portion of the escrow *may be reduced* appropriately.

Upon closing of the transaction, the escrow will be held by the **transferee's attorney** and the estimated tax on the gain portion of the escrow will be demanded by the Division to be applied to the appropriate tax type and year. A confirmation of receipt and the application of the estimated tax payment will be sent to the transferor's attorney.

The taxpayer files their year end business tax return, claims credit for the payment and pays any additional tax due. They may request a refund or credit if an overpayment exists.

Specific Line Instructions for Estimated Tax Calculation

Special Note: Lines 1 through 8 establish gain. Line 9 assigns share.

Line 1: Total price or consideration of all assets being transferred.

Line 2: Total amount of settlement charges to transferor associated with this transaction.

Line 3: If fully depreciated enter zero.

Line 4: Current loss and/or carryover loss from previous year(s).

Line 7: Calculate amount deferred based on installment or short term notes.

Line 10: Corporations use 6.5%, 7.5% or 9% based on Entire Net Income.

For all other returns use the NJ1040 or NJ1040NR applicable rate but not less than 2%.

- ❖ **Line 11:** Minimum corporate tax: \$500, \$750, \$1,000, \$1,500 or \$2,000 based on NJ Gross Receipts. Minimum NJ1040 or NJ1040NR tax 2%.

This is the declared amount that the Division will review to consider a reduction of the estimated tax on the gain portion of the escrow.

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|---|
| Details of Installment proceeds: |
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