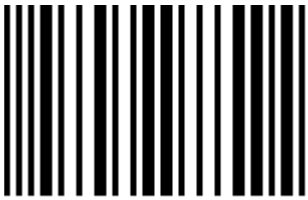
2003 CBT-100S



NEW JERSEY CORPORATION BUSINESS TAX RETURN

FOR TAXABLE YEARS ENDING ON AND AFTER JULY 31, 2003 THROUGH JUNE 30, 2004

Taxable year beginning _____, _____, and ending _____, _____

Place the label provided below. Make necessary corrections on the label. Otherwise, type or print the requested information. Check if address change appears below. ☐

FEDERAL EMPLOYER I.D. NUMBER | NJ CORPORATION NUMBER

CORPORATION NAME

MAILING ADDRESS

CITY | STATE | ZIP CODE

Check if applicable ☐ Initial return ☐ Initial 1120-S ☐ Inactive

Date of NJ S Corporation election _____

State and date of incorporation _____

Date authorized to do business in NJ _____

Federal business activity code _____

Corporation books are in the care of _____

at _____

Telephone Number (_____) _____

DIVISION USE

RP NP A _____ R _____

1.	Entire net income from Schedule A, line 44	1.	
2.	Allocation factor from Schedule J, Part III, line 5. Non-allocating taxpayers should not make an entry on line 2	2.	.
3.	Allocated net income - Multiply line 1 by line 2. Non-allocating taxpayers must enter the amount from line 1	3.	
4.	Tax - If the income on Line 42, Schedule A, is greater than $100,000, multiply line 3 by .0133. If line 42, Schedule A, is less than or equal to $100,000, enter zero. (see instruction 10(a)).	4.	
4(a).	Total nonoperational income $_____ (Attach Schedule O, Part I) (see instruction 33)		
4(b).	Tax Due (N.J. Nexus). (Attach Schedule O, Part III) (Do not enter amount from line 4)	4(b)	
5.	Allocated Entire Net Income subject to Federal corporate income taxation from Schedule A, line 46	5.	
6.	Tax - Multiply line 5 by the applicable tax rate (see instruction 10(b)).	6.	
7.	AMOUNT OF TAX (lines 4 plus 4(b) plus 6)	7.	
8.	Credit for taxes paid to other jurisdictions (see instruction 28(a))	8.	
9.	Subtract line 8 from line 7	9.	
10.	Tax Credits (from Schedule A-3) (see instruction 17)	10.	
11.	TOTAL TAX LIABILITY - line 9 minus line 10 (see instruction 10(d) for minimum tax)	11.	
12.	INSTALLMENT PAYMENT (see instruction 43)	12.	
13.	Key Corporation Throw Out Payment (Form 400)	13.	
14.	Professional Corporation Fees (Schedule PC, line 5)	14.	
15.	TOTAL TAX AND PROFESSIONAL CORPORATION FEES (Sum of lines 11, 12, 13 and 14)	15.	
16.	Payments & Credits (see instruction 44)	16.	
16(a).	Payments made by Partnerships on behalf of taxpayer	16(a).	
17.	Balance of Tax Due - line 15 minus line 16 and 16(a)	17.	
18.	Pro Rata Share of S Corporation Income for nonconsenting shareholders (from Schedule K, Part VII, line 6, Column (C))	18.	
19.	Gross Income Tax paid on behalf of nonconsenting shareholders - Line 18 x .0637	19.	
20.	Penalty and Interest Due - (see instructions 7(g), 45 and 46). Penalty _____ Interest _____ Interest from CBT-160 _____ . .Total	20.	
21.	Annual Report Fee _____ Registered Agent Change Fee _____ . .Total	21.	
22.	Total Balance Due - line 17 plus line 19 plus line 20 plus line 21	22.	
23.	If line 16 plus 16(a) is greater than line 15 plus line 19 plus line 20, plus line 21 enter the amount of overpayment	$	DIVISION USE
24.	Amount of Item 23 to be	Credited to 2004 return $ / Refunded $	

SIGNATURE AND VERIFICATION (See Instruction 12)

I declare under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

(Date) (Signature of Duly Authorized Officer of Taxpayer) (Title)

(Date) (Signature of Individual Preparing Return) (Address) (Preparer's ID Number)

(Name of Tax Preparer's Employer) (Address) (Employer's ID Number)

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

ALL TAXPAYERS MUST COMPLETE THIS SCHEDULE

SCHEDULE A COMPUTATION OF ENTIRE NET INCOME (See Instruction 14)

1.	Gross receipts or sales _____ Less returns and allowances _____		1	
2.	Cost of goods sold (Schedule A-2, line 8)		2	
3.	Gross profit - Subtract line 2 from line 1		3	
4.	Net gain (loss) from Form 4797 (attach Form 4797) (see instruction 14(b))		4	
5.	Other income (loss) (attach schedule)		5	
6.	Total Income (loss). Combine lines 3 through 5		6	
7.	Compensation of officers		7	
8.	Salaries and wages _____ Less jobs credit _____		8	
9.	Repairs		9	
10.	Bad debts		10	
11.	Rents		11	
12.	Taxes		12	
13.	Interest		13	
14a	Depreciation	14a		
14b	Depreciation claimed on Schedule A-2 and elsewhere on return	14b		
14c	Subtract line 14b from line 14a		14c	
15.	Depletion (do not deduct oil and gas depletion)		15	
16.	Advertising		16	
17.	Pension, profit-sharing, etc., plans		17	
18.	Employee benefit programs		18	
19.	Other deductions (attach schedule)		19	
20.	Total deductions (add lines 7 through 19)		20	
21.	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6 (see instruction 14(a)(1))		21	
22.	a. Gross income from all rental activities	22a		
	b. Expenses related to the above rental activities (attach schedule)	22b		
	c. Net income (loss) from all rental activities. Subtract line 22b from 22a		22c	
23.	Portfolio income (loss):			
	a. Interest income		23a	
	b. Dividend income		23b	
	c. Royalty income		23c	
	d. Capital gain net income (attach Schedule D (Form 1120S))		23d	
	e. Other portfolio income (loss) (attach schedule)		23e	
24.	Net gain (loss) under section 1231 (attach Federal Form 4797)		24	
25.	Other income (loss) (attach schedule)		25	
26.	Section 179 expense deduction (attach Federal Form 4562) (see instruction 14(c))		26	
27.	Deductions related to portfolio income (loss)		27	
28.	Other deductions (attach schedule)		28	
29.	Combine lines 21 through 28		29	
30.	Charitable contributions (limited to 10% of line 29)		30	
31.	Taxable income before net operating loss and special deductions. Subtract line 30 from line 29. (see instruction 14(a)(2) and (3))		31	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE A COMPUTATION OF ENTIRE NET INCOME (See Instruction 14)

32. Taxable income before net operating loss and special deductions from page 2, line 31		32	
33. Interest on Federal, State, Municipal and other obligations not included above (see instruction 14(d))		33	
34. New Jersey State and other States income taxes deducted above (see instruction 14(e))		34	
35. Taxes paid by the corporation on behalf of the shareholder (see instruction 14(f))		35	
36. Depreciation and other adjustments from Schedule S (see instruction 39)		36	
37. a. Deduction for IRC Section 78 Gross-up not deducted at line 41 below		37a	
b. Other deductions and additions . Explain on separate rider (see instruction 14(h))		37b	
c. Related interest addback (Schedule G, Part I)		37c	
d. Interest and intangibles expenses and costs addback (Schedule G, Part II).		37d	
38. Entire net income before net operating loss deduction and dividend exclusion. Total of lines 32 through 37(d)		38	
39. Net operating loss deduction from Schedule A-1 (see instructions 14(i) and 15)		39	
40. Entire Net Income before dividend exclusion (line 38 minus line 39)		40	
41. Dividend exclusion from Schedule R, Line 7 (see instruction 14(j))		41	
42. ENTIRE NET INCOME (line 40 minus line 41) (see instruction 14(k))		42	
43. Entire Net Income that is subject to Federal corporate income taxation (see instruction 14(l))	43		
44. Entire Net Income that is not subject to Federal corporate income taxation (line 42 minus line 43. Carry to page 1, line 1)		44	
45. Allocation Factor from Schedule J, Part III, line 5	45 .		
46. Allocated Entire Net Income that is subject to Federal corporate income taxation (line 43 multiplied by line 45. Carry to page 1, line 5)		46	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE A-1 NET OPERATING LOSS DEDUCTION AND CARRYOVER (See Instructions 14(i) and 15)

		(1) Fiscal Year Ended	(2) Income/Loss Reported on Schedule A, line 31 (CBT-100S) or Schedule A, line 28 (CBT-100)	(3) Add N.J. ENI Adj.'s Excluding the Dividend Exclusion	(4) Amount
N.J. NOL'S	1.				( )
	2.				( )
	3.				( )
	4.				( )
	5.				( )
	6.				( )
	7.				( )
	8.				( )
N.J. NOL'S Used	9.				
	10.				
	11.				
	12.				
	13.				
	14.				
	15.				
N.J. NOL Carryover	16.	Total lines 1 - 15, Column 4			

SCHEDULE A-2 COST OF GOODS SOLD (See Instruction 16)

1. Inventory at beginning of year	1.	
2. Purchases	2.	
3. Cost of labor	3.	
4. Additional section 263A costs	4.	
5. Other costs (attach schedule)	5.	
6. Total - Add lines 1 through 5	6.	
7. Inventory at end of year	7.	
8. Cost of goods sold - Subtract line 7 from line 6. Enter here and on Schedule A, line 2	8.	

SCHEDULE A-3 SUMMARY OF TAX CREDITS (See Instruction 17)

1. HMO Assistance Fund Tax Credit from Form 310	1.	
2. New Jobs Investment Tax Credit from Form 304	2.	
3. EITHER: a) Urban Enterprise Zone Employee Tax Credit from Form 300 OR b) Urban Enterprise Zone Investment Tax Credit from Form 301	3.	
4. Redevelopment Authority Project Tax Credit from Form 302	4.	
5. Recycling Equipment Tax Credit from Form 303	5.	
6. Manufacturing Equipment and Employment Investment Tax Credit from Form 305	6.	
7. Research and Development Tax Credit from Form 306	7.	
8. Smart Moves For Business Programs Tax Credit from Form 307	8.	
9. Small New Jersey-Based High-Technology Business Investment Tax Credit from Form 308	9.	
10. Neighborhood Revitalization State Tax Credit from Form 311	10.	
11. Effluent Equipment Tax Credit from Form 312	11.	
12. Economic Recovery Tax Credit from Form 313	12.	
13. Other Tax Credits (see instruction 42(m))	13.	
14. Total tax credits taken on this return - Add lines 1 through 13. Enter here and on page 1, line 10	14.	

ALL CORPORATIONS MUST COMPLETE THIS SCHEDULE

AND SUBMIT IT WITH THEIR CBT-100S TAX RETURN

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE A-4 SUMMARY SCHEDULE (See Instruction 18)

Net Operating Loss Deduction and Carryover			6. Schedule J, Part III, line 2(g) . . .	6.	
1. Schedule A-1, line 16	1.		7. Schedule J, Part III, line 2(h) . . .	7.	
Interest and Intangible Costs and Expenses			8. Schedule J, Part III, line 2(j)	8.	
2. Schedule G, Part I, line b	2.		9. Schedule J, Part III, line 3(c) . . .	9.	
3. Schedule G, Part II, line b	3.		**Non-Operational Income Information**		
Schedule J Information			10. Schedule O, Part III, line 31	10.	
4. Schedule J, Part III, line 1(c)	4.		**Dividend Exclusion Information**		
5. Schedule J, Part III, line 2(f)	5.		11. Schedule R, line 4	11.	
			12. Schedule R, line 6	12.	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE B **BALANCE SHEET AS OF _____, 20_____ (See Instruction 19)**

Figures appearing below must be the same as year-end figures shown on the taxpayer's books. If not, explain and reconcile on rider.

Assets	Beginning of Tax Year	End of Tax Year
1. Cash		
2. Trade notes and accounts receivable (net)		
3. Loans to stockholders/affiliates		
4. Stock of subsidiaries		
5. Corporate stocks		
6. Bonds, mortgages and notes		
7. New Jersey State and local government obligations		
8. All other government obligations		
9. Patents and copyrights		
10. Deferred charges		
11. Goodwill		
12. All other intangible personalty (itemize)		
13. *Total intangible personal property* (total lines 1 to 12)		
14. Land		
15. Buildings and other improvements		
16. Machinery and equipment (net)		
17. Inventories		
18. All other tangible personalty (net) (itemize on rider)		
19. *Total real and tangible personal property* (total lines 14 to 18)		
20. Total assets (add lines 13 and 19)		
Liabilities and Stockholder's Equity		
21. Accounts payable		
22. Mortgages, notes, bonds payable in less than 1 year (attach schedule)		
23. Other current liabilities (attach schedule)		
24. Loans from stockholders/affiliates		
25. Mortgages, notes, bonds payable in 1 year or more (attach schedule)		
26. Other liabilities (attach schedule)		
27. Capital stock		
28. Paid-in or capital surplus		
29. Retained earnings - appropriated (attach schedule)		
30. Retained earnings - unappropriated		
31. Adjustments to shareholders' equity (attach schedule)		
32. Less cost of treasury stock		
33. Total liabilities and stockholder's equity (total lines 21 to 32)		

SCHEDULE C **RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN (See Instruction 20)**

1. Net income per books		7. Income recorded on books this year not included in this return (itemize) (a) Tax-exempt interest $_____ (b) _____ (c) _____	
2. Federal income tax			
3. Excess of capital losses over capital gains			
4. Income subject to tax not recorded on books this year (itemize) _____ _____		8. Deductions in this tax return not charged against book income this year (itemize) (a) Depreciation $ _____ (b) Contributions Carryover $_____ _____	
5. Expenses recorded on books this year not deducted in this return (itemize) (a) Depreciation $_____ (b) Contributions Carryover $_____ (c) Other (itemize) $_____		9. Total of lines 7 and 8	
6. Total of lines 1 through 5		10. Income (Item 31, Sch. A) - line 6 less 9	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE E GENERAL INFORMATION (See Instruction 21)

ALL TAXPAYERS MUST ANSWER THE FOLLOWING QUESTIONS. RIDERS MUST BE PROVIDED WHERE NECESSARY.

1. Type of business _____

_____

Principal products handled _____

_____

Internal Revenue Center where corresponding Federal tax return was filed _____

2. FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT (See Instruction 13)

Has a change or correction in the amount of taxable income of the reporting corporation or for any other corporation purchased, merged or consolidated with the reporting corporation, been finally determined by the Internal Revenue Service, and not previously reported to New Jersey?

Yes or No _____. **If Yes, an amended return must be filed.**

3. Is this corporation a Professional Corporation (PC) formed pursuant to NJSA 14:17-1 et.seq. or any similar law from a possession or territory of the United States, a state, or political subdivision thereof? "Yes or No" _____. If yes, go to the next question.

How many licensed professionals are owners, shareholders, and/or employees from this PC as of the first day of the privilege period? _____.

Attach a rider providing the names, addresses, and FID or SS numbers of the licensed professionals in the PC. If the number of licensed professionals is greater than 2, complete Schedule PC-Per Capita Licensed Professional Fee. See instruction 36 for examples of licensed professionals.

4. This question must be answered by corporations with income from sources outside the United States.

(a) Is income from sources outside the United States included in entire net income at Item 42 of Schedule A? Yes or No _____.

(b) If the answer is no, set forth such items of gross income, the source, the deductions and the amount of foreign taxes deemed paid (Section 78 Gross-up) thereon. Enter at Item 37(b), Schedule A the difference between the net of such income and the amount of foreign taxes paid thereon not previously deducted.

SCHEDULE F CORPORATE OFFICERS - GENERAL INFORMATION AND COMPENSATION (See Instruction 22)

(1) Name and Current Address of Officer	(2) Social Security Number	(3) Title	(4) Dates Employed in this position From	To	(5) Percent of Corporation Stock Owned	(6) Amount of Compensation

(a) Total compensation of officers	
(b) Less: Compensation of officers claimed elsewhere on the return	
(c) Balance of compensation of officers (enter here an on Schedule A, line 7, page 2)	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE G - PART I INTEREST (See Instruction 23)

1. Was interest paid, accrued or incurred to a related member(s), deducted from entire net income? "Yes" or "No" _____. If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Amount Deducted

(a) Total amount of interest deducted	
(b) Less: Exceptions (see instruction 23)	( )
(c) Balance of interest deducted (carry to Schedule A, line 37(c))	

SCHEDULE G - PART II INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS (See Instruction 23)

1. Were intangible expenses and costs including intangible interest expenses and costs, paid, accrued or incurred to related members, deducted from entire net income? "Yes" or "No" _____. If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Type of Intangible Expense Deducted	Amount Deducted

(a) Total amount of intangible expenses and costs deducted	
(b) Less: Exceptions (see instruction 23)	( )
(c) Balance of intangible expenses and costs deducted (carry to Schedule A, line 37(d))	

SCHEDULE H TAXES (See Instructions 14 (e) and 24) Include all taxes paid or accrued during the accounting period wherever deducted on Schedule A.

	(A) Corporation Franchise/Business Taxes*	(B) Corporation Business/Occupancy Taxes*	(C) Property Taxes	(D) U.C.C. or Payroll Taxes	(E) Other Taxes (attach schedule)	(F) Total
1. New Jersey Taxes						
2. Other States & U.S. Possessions						
3. City and Local Taxes						
4. Taxes Paid to Foreign Countries						
5. Total						
6. Combine lines 5(a) and 5(b)						
7. Sales & Use Taxes Paid by a Utility Vendor						
8. Add lines 6 and 7 - Carry to Schedule A, line 34.						
9. Federal Taxes						
10. Total (Combine lines 5 and 9)						

*Include on line 4 taxes paid or accrued to any foreign country, state, province, territory, or subdivision thereof.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE J

Parts I, II, III, IV, V and VI

ALL TAXPAYERS WHO MAINTAIN A REGULAR PLACE OF BUSINESS OUTSIDE OF NEW JERSEY REGARDLESS OF THE AMOUNT OF ENTIRE NET INCOME REPORTED ON SCHEDULE A, LINE 42, OF THE CBT-100 SHOULD COMPLETE SCHEDULE J. THIS SCHEDULE SHOULD BE OMITTED IF THE TAXPAYER DOES NOT MAINTAIN A REGULAR PLACE OF BUSINESS OUTSIDE THIS STATE OTHER THAN A STATUTORY OFFICE, IN WHICH CASE THE TAX LAW REQUIRES THE ALLOCATION FACTOR TO BE 100% (1.000000).

PART I ALL ALLOCATING COMPANIES MUST ANSWER THE FOLLOWING QUESTIONS (See Instruction 26)

(a) State the number of regular corporate places of business maintained outside this State (See instruction 26(b)) _____

(b) List the address of at least one such regular place of business _____

(c) List the States in which the taxpayer maintained a permanent and continuous place of business, indicating type of establishment, such as warehouse, factory, store, office, etc. _____

(d) Give the address of every factory, warehouse, store, or other place of business in New Jersey, indicating type of establishment _____

(e) Number of people employed (average) in New Jersey _____ outside New Jersey _____

(f) Explain in detail internal controls used in distribution of receipts in and out of New Jersey, as shown in Part III, line 2 _____

(g) State the location of the actual seat of management or control of the corporation_____

PART II AVERAGE VALUES (See Instruction 27)

(a) This schedule showing average values of real and tangible personal property must be completed by every taxpayer entitled to and electing to allocate.

(b) The average values of real and tangible personal property *owned* are to be computed on the basis of the average book values thereof and not on original cost. Rented or leased property is valued at 8 times the annual rent, including any amounts paid or accrued in addition to or in lieu of rent during the period covered by the return. All other property which is used by the taxpayer but is neither owned, rented or leased, should be valued at book value, however, if no such book value exists, the market value of the property should be used.

(c) The frequency upon which the amounts in Columns A and B below have been averaged is _____ (See instruction 27).

ASSETS	AVERAGE VALUES (See instruction 27) (Omit Cents) Column A - New Jersey	Column B - Everywhere	DIVISION USE ONLY
1. Land			
2. Buildings and other Improvements			
3. Machinery and Equipment			
4. Inventories			
5. All other Tangible Personalty Owned (Itemize on Rider)			
6. Property rented or leased (8 x Annual Rent)			
7. All other Property Used			
8. *Total Real and Tangible Personal Property*			

PART III COMPUTATION OF ALLOCATION FACTOR (See Instruction 28)

		COLUMN A (omit cents)		COLUMN B
1. Average value of the taxpayer's real and tangible personal property:				
(a) In New Jersey (Part II, Column A, line 8)	1(a)			
(b) Everywhere (Part II, Column B, line 8)	1(b)			
(c) Percentage in New Jersey (line 1(a) divided by line 1(b)). Enter in Column B.			1(c)	.
2. Receipts: (a) From sales of tangible personal property shipped to points within New Jersey.	2(a)			Complete by carrying the fraction to six (6) decimal places. Do not express as a percent. Example:
(b) From services performed in New Jersey	2(b)			
(c) From rentals of property situated in New Jersey	2(c)			123,456 / 1,000,000 = . 1 2 3 4 5 6
(d) From royalties for the use in New Jersey of patents and copyrights	2(d)			
(e) All other business receipts earned in New Jersey. (See instruction 28(d))	2(e)			
(f) Total New Jersey receipts (Total of lines 2(a) to 2(e), inclusive, in Column A)	2(f)			
(g) Total receipts from all sales, services, rentals, royalties and other business transactions everywhere.	2(g)			
(h) Less Nonsourced Receipts (see instruction 28(e))	2(h)	( )		
(i) Total Everywhere Receipts allowable (line 2(g) minus line 2(h))	2(i)			
(j) Percentage in New Jersey (line 2(f) divided by line 2(i). Enter in Column B.			2(j)	.
(k) Double-weighted receipts factor (Enter 2(j))			2(k)	.
3. Wages, salaries and other personal service compensation (See instruction 28(g)) (a) In New Jersey	3(a)			
(b) Everywhere	3(b)			
(c) Percentage of New Jersey (line 3(a) divided by line 3(b)). Enter in Column B.			3(c)	.
4. Sum of New Jersey percentages shown at lines 1(c), 2(j), 2(k), and 3(c) Enter in Column B.			4	.
5. Allocation Factor (line 4 divided by four, or by the number of percentages included on line 4. See instruction 28(h). Enter in Column B and carry to Line 2, page 1 and line 45, page 3, and Schedule K, Part III, line 3.			5	.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

PART IV COMPUTATION OF THROW OUT RECEIPTS (See Instruction 29)

Name of the Jurisdiction in which Receipts are Sourced	Total Receipts from all Sales, Services, Rental, Royalties, and Other Business Transactions
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
TOTAL - Add lines 1 through 10. Carry to Schedule J, Part III, line 2(h) . .	

PART V KEY CORPORATION DESIGNATION (See instruction 30)

All taxpayers claiming the throw out limitation must designate a key corporation and complete Part VI below. The key corporation will be responsible for remitting the additional tax. The key corporation must complete Form 400.

Name: _____ FID# _____

PART VI COMPUTATION OF THE THROW OUT TAX EFFECT FOR LIMITATION (See Instruction 30)

1. Entire net income from Schedule A, line 43	1.	
2. Allocation factor from Schedule J, line 5.	2.	
3. Allocated net income - Multiply line 1 by line 2.	3.	
4. Tax Rate (See Instruction 10(a) [and/or 10(b)])	4.	
5. Gross Tax Liability - Multiply line 3 by line 4	5.	
6. Less Tax Credits	6.	( )
7. Net Tax Liability - line 5 minus line 6	7.	
8. Property Fraction (Schedule J, Part III, line 1(c))	8.	
9. Wage Fraction (Schedule J, Part III, line 3(c))	9.	
10. Total New Jersey Receipts (Schedule J, Part III, line 2(f))	10.	
11. Total Everywhere Receipts (Schedule J, Part III, line 2(g))	11.	
12. Receipts Fraction (line 10 divided by line 11)	12.	
13. Double Weight Receipts (enter amount from line 12)	13.	
14. Total (line 8 plus line 9 plus line 12 plus line 13)	14.	
15. Allocation Factor (line 14 divided by 4) Carry to Page 1, line 2 and Schedule A, line 45	15.	
16. Entire Net Income from Schedule A, line 43	16.	
17. Allocated Net Income - Multiply line 15 by line 16	17.	
18. Tax Rate (from line 4)	18.	
19. Gross Tax Liability - Multiply line 17 by line 18	19.	
20. Less Tax Credits	20.	( )
21. Net Tax Liability (line 19 minus line 20)	21.	
22. Throw Out Tax Income (line 7 minus line 21) This amount should be carried to Form 400 of the CBT-100S filed by the designated key corporation.	22.	

SCHEDULE K SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC. (See Instruction 31)

PART I

1. Total number of shareholders . . . . . _____
2. Total number of nonresident shareholders . . . . . _____
3. a. Total number of nonconsenting shareholders . . . . . _____
   b. Percentage of stock owned . . . . . _____%

PART II NEW JERSEY S CORPORATION INCOME(LOSS)

1. Amount from Schedule A, line 21	1.	
2. Add the following amounts from Federal 1120S, Schedule K		
a. Net income (loss) from rental real estate activities . . . . . a _____		
b. Net income (loss) from other rental activities . . . . . b _____		
c. Interest income . . . . . c _____		
d. Dividend income . . . . . d _____		
e. Royalty income . . . . . e _____		
f. Net short-term capital gain (loss) . . . . . f _____		
g. Net long-term capital gain (loss) . . . . . g _____		
h. Other portfolio income (loss) . . . . . h _____		
i. Net gain (loss) under section 1231 . . . . . i _____		
j. Other income . . . . . j _____		
k. Tax-exempt interest income . . . . . k _____		
l. Other tax-exempt income . . . . . l _____		
Total of 2(a) through 2(l)	2.	
3. Add line 1 plus line 2	3.	
4. Additions:		
a. Interest income on state and municipal bonds other than New Jersey . . . . . a _____		
b. New Jersey State and other states' income taxes deducted in arriving at line 3 including taxes paid on behalf of the shareholder . . . . . b _____		
c. All expenses included in line 3 to generate tax exempt income . c _____		
d. Losses included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14 and 6-14.1 . . . . . d _____		
Total of 4(a) through 4(d)	4.	
5. Add line 3 plus line 4	5.	
6. Subtractions:		
a. U.S. Treasury and other interest income included in line 3 from investments exempt under N.J.S.A. 54A:6-14 and 6-14.1 . . . . . a _____		
b. Gains included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14 and 6-14.1 . . . . . b _____		
c. IRS Section 179 expenses from Federal Schedule K . . . . . c _____		
d. Federal 50% meals and entertainment limitation . . . . . d _____		
e. Charitable contributions from Federal Schedule K . . . . . e _____		
f. Other subtractions . . . . . f _____		
Total of 6(a) through 6(f)	6.	
7. New Jersey S Corporation Income (Loss) - Subtract line 6 from line 5	7.	

PART III ALLOCATION OF S CORPORATION INCOME(LOSS)

1. New Jersey S Corporation Income (Loss) (Part II, line 7)	1.	
a. Current period nonoperational activity (Schedule O, Part I, line 34)	1a	
2. Total operational income (loss) (line 1 minus line 1a)	2.	
3. Allocation factor (Schedule J, Part III, line 5)	3.	
4. Allocated operational income (loss) (line 3 x line 2)	4.	
5. Allocated nonoperational income (loss) (Schedule O, Part III, line 31)	5.	
6. Total allocated income (loss) (line 4 plus line 5)	6.	
7. New Jersey CBT reported on CBT-100S (Page 1, line 6)	7.	
8. New Jersey allocated income (loss) (line 6 minus line 7)	8.	
9. Income (loss) not allocated to New Jersey (line 1 minus line 6)	9.	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

PART IV - A ANALYSIS OF NEW JERSEY ACCUMULATED ADJUSTMENTS ACCOUNT

	(A) New Jersey AAA	(B) Non New Jersey AAA	(C) Total of Columns (A) & (B)
1. Beginning balance			
2. Net pro rata share of S corporation income			
3. Other income/loss			
4. Other reductions (attach schedule)			
5. Total lines 1-4			
6. Distributions			
7. Ending balance (line 5 minus line 6)			

PART IV - B NEW JERSEY EARNINGS AND PROFITS

1. Beginning balance	1.	
2. Additions/Adjustments	2.	
3. Dividends paid	3.	
4. Ending balance (line 1 plus line 2 minus line 3)	4.	

PART V SUMMARY OF RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	(C) Pro Rata Share Income/loss	(D) Distributions
1.			
2.			
3.			
4.			
5.			
6. Total			

PART VI SUMMARY OF CONSENTING NON-RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income/Loss		(E) Distributions
		(C) Allocated to NJ	(D) Not Allocated to NJ	
1.				
2.				
3.				
4.				
5.				
6. Total				

PART VII SUMMARY OF NONCONSENTING SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income/Loss		(E) Distributions	(F) Gross Income Tax Paid
		(C) Allocated to NJ	(D) Not Allocated to NJ		
1.					
2.					
3.					
4.					
5.					
6. Total					

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE P SUBSIDIARY INVESTMENT ANALYSIS (See Instruction 34)

NOTE: Taxpayers must hold at least 80% of the combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends, for each subsidiary. Do not include advances to subsidiaries in book value.

(1) Name of Subsidiary	(2) Percentage of Interest		(3) Book Value (as reported in Schedule B)	(4) Dividend Income (as reported in Schedule A)
	Voting	Non-Voting		
Totals				

SCHEDULE P-1 PARTNERSHIP INVESTMENT ANALYSIS (See Instruction 35)

(1) Name of Partnership LLC, or Other Entity and Federal ID Number	(2) Date and State where Organized	(3) Percentage of Ownership	(4)		(5) Tax Accounting Method		(6) New Jersey Nexus		(7) Tax Payments Made on Behalf of Taxpayer by Partnerships
			Limited Partner	General Partner	Flow Through	Separate Accounting	Yes	No	
Total Column 7									

SCHEDULE PC PER CAPITA LICENSED PROFESSIONAL FEE (See Instruction 36)

1 (a). Enter number of resident and non-resident professionals with physical nexus with New Jersey _____ x $150	1(a)	
1(b). Enter number of non-resident professionals without physical nexus with New Jersey _____ x $150 x allocation factor of the PC	1(b)	
1(c). Total Fee Due - Add line 1(a) and line 1(b)	1(c)	
2. Installment Payment - 50% of line 1(c)	2.	
3. Total Fee Due (line 1(c) plus line 2)	3.	
4. Less prior year 50% installment payment and credit (if applicable)	4.	( )
5. Balance of Fee Due (line 3 minus line 4). If the result is zero or above, enter this amount on page 1, line 14	5.	
6. Credit to next year's Professional Corporation Fee (if line 5 is below zero, enter the amount here)	6.	

SCHEDULE Q QUALIFIED SUBCHAPTER S SUBSIDIARIES (QSSS) (See Instruction 37)

1. Is this corporation a Qualified Subchapter S Subsidiary? Yes ☐ No ☐
   If yes, indicate the parent corporation's name, address, and FID # below. A New Jersey QSSS must complete page 1 and this schedule only.

2. Does this corporation own any Qualified Subchapter S Subsidiaries? Yes ☐ No ☐
   If yes, list all the QSSS's names, addresses, and FID#'s below. Attach additional rider if necessary. Separately note those subsidiaries that have made a New Jersey QSSS election and whose activities are included in this return.

SCHEDULE R DIVIDEND EXCLUSION (See Instruction 38)

1. Dividend income included in Schedule A	1.	
2. Less: Dividend Income - Schedule P, Column (4)	2.	( )
3. Balance (line 1 less line 2)	3.	
4. Less: Dividend income from investments where taxpayer owns less than 50% of voting stock and less than 50% of all other classes of stock	4.	( )
5. Balance (line 3 less line 4)	5.	
6. 50% of line 5	6.	
7. DIVIDEND EXCLUSION: Line 2 plus line 6 (Carry to Schedule A, line 41)	7.	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE S - PART I DEPRECIATION AND SAFE HARBOR LEASING (See Instruction 39)

1. Section 179 Deduction	1	
2. Special Depreciation Allowance - for certain property acquired after September 10, 2001	2	
3. MACRS - for assets placed in service during **accounting periods** beginning on and after July 7, 1993	3	
4. MACRS - for assets placed in service during **accounting periods** beginning prior to July 7, 1993	4	
5. ACRS	5	
6. Other Depreciation - for assets placed in service after December 31, 1980	6	
7. Other Depreciation - for assets placed in service prior to January 1, 1981	7	
8. Listed Property - for assets placed in service during accounting periods beginning on and after July 7, 1993	8	
9. Listed Property - for assets placed in service during accounting periods beginning prior to July 7, 1993	9	
10. Total depreciation claimed in arriving at line 31, Schedule A	10	

Attach Federal Form 4562 to Return and Include Federal Depreciation Worksheet

Adjustments at Line 36, Schedule A - Depreciation and Certain Safe Harbor Lease Transactions

11. **Additions**

(a) ACRS and MACRS from lines 4, 5, 6 and 9 above . . . . . a._____

(b) Special Depreciation Allowance - for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% bonus depreciation was taken. Include the initial 30% bonus amount and the regular depreciation on the adjusted basis. . . . . b._____

(c) Distributive share of ACRS and MACRS from a partnership . . . . . c._____

(d) Deductions on Federal return resulting from an election made pursuant to IRC Section 168(f)8 exclusive of elections made with respect to mass commuting vehicles.

Interest . . . . . _____

Rent . . . . . _____

Amortization of Transactional Costs . . . . . _____

Other Deductions . . . . . _____ d._____

Total line 11 (lines a, b, c and d) . . . . . 11 _____

12. **Deductions**

(a) New Jersey depreciation - (From Schedule S, Part II(A)) . . . . . a._____

(b) New Jersey depreciation - (From Schedule S, Part II(B)) . . . . . b._____

(c) Recomputed depreciation attributable to distributive share of recovery property from a partnership . . . . . c._____

(d) Any income included in the return with respect to property described at line 11(d) solely as a result of that election . . . . . d._____

(e) The lessee/user should enter the amount of depreciation which would have been allowable under the Internal Revenue Code at December 31, 1980 had there been no safe harbor lease election . . . . . e._____

(f) Excess of accumulated ACRS, MACRS, or bonus depreciation over accumulated NJ depreciation on physical disposal of recovery property (attach computations) . f. _____

Total line 12 (lines a, b, c, d, e and f) . . . . . 12 _____

13. **ADJUSTMENT** - (line 11 minus line 12) Enter at line 36, Schedule A . . . . . 13 _____

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE S - PART II(A) N.J. Depreciation on Recovery Property Placed in Service On or After January 1, 1981 and Prior to Taxpayers Fiscal or Calendar Accounting Periods Beginning On and After July 7, 1993.

(A) Description of Property	(B) Month, Day and Year placed in service*	(C) Use Federal basis	(D) Depreciation allowable in earlier years	(E) Method of figuring depreciation	(F) Life or rate	(G) N.J. depreciation computations
* Year placed in service acceptable for personal property only. DO NOT USE "VARIOUS" IN ANY COLUMN. Class Life Asset Depreciation Range (CLADR) System Depreciation - Attach Computations						
Total Column G						

INSTRUCTIONS

Column A - Do not classify as 3, 5, 10 or 15 year property. Classify consistent with Internal Revenue Code at December 31, 1980. Account for distributive share of partnership property and deductions separately. Do not include certain safe harbor lease property.

Column B - Clearly segregate property placed in service during each year. Depreciation on personal property is to be computed using the half-year convention such that one half year depreciation is to be claimed to the exclusion of any other depreciation convention allowable under the Internal Revenue Code at December 31, 1980 for property placed in service during the current year.

Column C - Basis is to be determined at the date property is placed in service and not as provided under the Internal Revenue Code at December 31, 1980. It is not to be restated where ACRS was accepted for certain property placed in service during 1981.

Column D - Depreciation allowable under the method adopted and consistently applied for property described. Do not adjust for the effect of any ACRS deducted on the New Jersey Corporation Business Tax Return for property placed in service during 1981.

Column E - Any method allowable under the Internal Revenue Code at December 31, 1980.

Column F - Any life or rate permissible under the Internal Revenue Code at December 31, 1980. (LIVES PERMISSIBLE UNDER THE IRS CODE AT DECEMBER 31, 1980 FREQUENTLY DIFFER FROM ACRS AND MACRS LIVES)

Column G - Consider any salvage value which was required to be considered under Internal Revenue Code at December 31, 1980. Do not claim depreciation in the year of disposal. Accumulated depreciation may not exceed accumulated ACRS and MACRS deductions over the life of the property and deductions for the final year or years are limited where ACRS was deducted on the New Jersey return for property placed in service during 1981.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE S - PART II(B) **Special Depreciation Allowance - for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% bonus depreciation was taken.**

(A) Description of Property	(B) Month, Day and Year placed in service*	(C) Use Federal basis	(D) Special Depreciation Allowance	(E) Depreciation allowable in earlier years	(F) Method of figuring depreciation	(G) Life or rate	(H) N.J. Depreciation Computations
Total Column H							

*Year placed in service acceptable for personal property only.

INSTRUCTIONS

Column A - Classify consistent with Internal Revenue Code.

Column B - Clearly segregate property placed in service during each year.

Column C - Basis is to be determined at the date property is placed in service and not as provided after taking the 30% first-year depreciation allowance.

Column D - State the amount of the 30% special depreciation allowance taken for the first year the property was placed in service.

Column E: Depreciation allowable under the method adopted and consistently applied for property described. Do not adjust for the effect of the 30% first-year bonus depreciation allowance.

Column F - Use the same method that was used for Federal purposes.

Column G - Use the same life that was used for Federal purposes.

Column H - Figure the depreciation amount as if the 30% special depreciation allowance was not in effect.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE S - PART III NEW JERSEY DEPRECIATION FOR GAS, ELECTRIC, AND GAS AND ELECTRIC PUBLIC UTILITIES

1. Total depreciation claimed in arriving at Schedule A, line 21 . . . . . 1._____
2. Federal depreciation for assets placed in service after January 1, 1998 . . . . . 2._____
3. Net (subtract line 2 from line 1) . . . . . 3._____
4. New Jersey depreciation allowable on the Single Asset Account. (Assets placed in service prior to January 1, 1998)
   (a) Total adjusted Federal depreciable basis as of December 31, 1997 . . . . . a._____
   (b) Excess book depreciable basis over Federal tax basis as of December 31, 1997 . . . . . b._____
   (c) Less accumulated Federal basis for all single Asset Account property sold, retired, or disposed of to date . . . . . c._____
   (d) Total (line 4(a) plus 4(b) less line 4(c)) . . . . . d._____
5. New Jersey depreciation (divide line 4(d) by 30) . . . . . 5._____
6. New Jersey adjustment
   (a) Depreciation adjustment for assets placed in service prior to January 1, 1998 (subtract line 5 from line 3) . . . . . a._____
   (b) Special bonus depreciation adjustment from Schedule S, Part I, line 13 . . . . . b._____
7. Total Adjustment (add lines 6(a) and 6(b)). Enter at line 36, Schedule A . . . . . 7._____

State of New Jersey
Division of Taxation

CERTIFICATION OF INACTIVITY

For the period beginning _____ , _____ and ending _____ , _____

Corporation Name	Federal ID Number

(NOTE: Attach this schedule to the taxpayer's CBT-100 or CBT-100S, whichever is applicable)

I certify that during the period covered by the attached tax return, the above named taxpayer had no business activities, no income, no assets, and, additionally in the case of a New Jersey S corporation, made no distributions and did not have any change in ownership.

Signature of Corporate Officer | Title | Date

INSTRUCTIONS

In lieu of completing the entire CBT-100 or CBT-100S tax return, an inactive corporation may complete this schedule along with Schedule CAR-100 and attach them to a completed page 1 of the appropriate Corporation Business Tax return in order to fulfill its filing obligations with the State of New Jersey. An inactive corporation is a corporation that, during the entire period covered by the tax return, did not conduct any business, did not have any income, receipts or expenses, did not own any assets, and, additionally for New Jersey S corporations, did not make any distributions and did not have any change in ownership.

This schedule along with Schedule CAR-100 must be completed and attached to page 1 of each Corporation Business Tax return filed annually by the taxpayer. Taxpayers must report the minimum tax liability, the installment payment (if applicable), and the annual report and/or registered agent change fees on page 1 of the Corporation Business Tax return and submit the balance due with the Form CBT-100-V or Form CBT-100S-V, the Corporation Business Tax Payment Voucher. Schedule CAR-100 must be submitted in order to comply with the annual report filing requirements.

Schedule I, Schedule CAR-100 and page 1 of the Corporation Business Tax return must be signed by an officer of the corporation who is authorized to attest to the truth of the statements contained therein.

SCHEDULE **NJ-K-1**
(Form CBT-100S)
(5-03)

State of New Jersey
Division of Taxation

2003

SHAREHOLDER'S SHARE OF INCOME / LOSS

For calendar year 2003 or tax year beginning _____, _____, and ending _____, _____

Shareholder's identifying number	Federal employer identification number
Shareholder's name, address, and ZIP code	Corporation's name, address, and ZIP code

See Instruction 40 and Reverse Side

PART I

1. Shareholder's percentage of stock ownership for tax year . . . . _____%
2. Shareholder . . . . . ☐ resident . . . . . ☐ nonresident
3. Shareholder . . . . . ☐ consenting . . . . ☐ nonconsenting
4. Check applicable box: . . . . . ☐ Final NJ-K-1 . . . ☐ Amended NJ-K-1

PART II

1. S Income/Loss allocated to NJ . . . . . _____
2. S Income/Loss not allocated to NJ . . . . . _____
3. Pro rata share of S Corporation Income/Loss (line 1 plus line 2) . . _____
4. Total payments made on behalf of shareholder . . . . . _____
5. Distributions . . . . . _____

Shareholder: Follow the reporting instructions contained in your NJ Income Tax return packet and in Tax Topic Bulletin GIT-9S, Income From S Corporations. Refer to the index on page 13

This schedule must be included with your NJ Income Tax return.

PART III SHAREHOLDER'S NJ ACCUMULATED ADJUSTMENTS ACCOUNT

	New Jersey AAA	Non New Jersey AAA
1. Beginning balance		
2. Income/Loss		
3. Other Income/Loss		
4. Other reductions		
5. Total lines 1-4		
6. Distributions		
7. Ending Balance (line 5 minus line 6)		

PART IV SHAREHOLDER'S NJ EARNINGS AND PROFITS ACCOUNT

1. Beginning balance . . . . . _____
2. Additions/Adjustments . . . . . _____
3. Dividends received . . . . . _____
4. Ending balance (line 1 plus line 2 minus line 3) . . . . . _____

PART V

1. Interest paid to shareholder (per 1099-INT) . . . . . _____
2. Indebtedness:
   a. From corporation to shareholder . . . . . _____
   b. From shareholder to corporation . . . . . _____

THIS FORM MAY BE REPRODUCED

INSTRUCTIONS FOR SCHEDULE NJ-K-1

FOR ADDITIONAL INFORMATION REFER TO TAX TOPIC BULLETIN GIT-9S, INCOME FROM S CORPORATIONS (TO OBTAIN A COPY, SEE THE INDEX ON PAGE 13)

PART I

Line 1 Shareholder's percentage of stock ownership as reported on Federal 1120S.

Line 2 Indicate shareholder's residency status at year's end.

Line 3 Indicate whether shareholder is a consenting or nonconsenting shareholder.

Line 4 If applicable, indicate if this schedule is a final or amended NJ-K-1.

PART II

Line 1 Enter shareholder's share of New Jersey allocated S corporation income/loss from Part III, line 8 of Schedule K.

New Jersey S corporations which claim a credit for taxes paid to other jurisdictions in accordance with N.J.A.C. 18:7-8.3 will report 100% of the shareholder's net pro rata share as allocated to New Jersey.

Line 2 Enter shareholder's share of S corporation income/loss not allocated to New Jersey from Part III, line 9 of Schedule K.

Line 4 Enter total payments made on behalf of the shareholder as reported in Part VII, Column (F) of Schedule K. This amount must equal the amount of the payment reported on Form NJ-1040-SC, Payment on Behalf of Nonconsenting Shareholders.

Line 5 Enter distributions shareholder received during the year as reported in Part V, VI or VII, of Schedule K.

PART III

Lines 1 - 7 Enter shareholder's share of New Jersey Accumulated Adjustments (AAA) from Part IV-A, Schedule K.

PART IV

Lines 1 - 4 Enter shareholder's share of New Jersey Earnings and Profits from Part IV-B, Schedule K.

PART V

Line 1 Enter the amount of any interest paid to the shareholder which should be reported by the S corporation on Federal Form 1099-INT. Include any other interest paid to the shareholder that was deducted by the S corporation in arriving at income reflected in Part II, line 9 of Schedule K.

Line 2 a. Enter the total amount of the corporation's indebtedness to the shareholder at year's end.

b. Enter the total amount of the shareholder's indebtedness to the corporation at year's end.

NOTE: A New Jersey electing S corporation doing business in New Jersey may file a NJ-1080-C composite return on behalf of its qualified nonresident shareholders who elect to be included in the composite filing. Every participating shareholder must make the election to be part of the composite return in writing each year by using Form NJ-1080-E, Election to Participate in Composite Return, or a form substantially similar.

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (5-03)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___,___.__

THIS FORM MAY BE REPRODUCED

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (5-03)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First Name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___,___.__

THIS FORM MAY BE REPRODUCED

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (5-03)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First Name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___,___.__

THIS FORM MAY BE REPRODUCED

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date;

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date;

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date;

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

A MESSAGE TO THE TAXPAYER

The 2003 New Jersey Corporation Business Tax Return, Form CBT-100S, and instructions are included in this packet. As indicated on the top of page 1 of the tax form, this packet should be used only for accounting periods ending on or after July 31, 2003 through June 30, 2004. **Only corporations that have made a separate New Jersey S corporation election may file this return.**

Please take note that the Annual Report, Schedule CAR-100, has been revised to a page size schedule that should be included with the Corporation Business Tax return filing. The instructions for completing this schedule can be found on the reverse side of the form. The related Annual Report/Registered Agent Change Fees should be reported on line 21, page 1 of the CBT-100S tax return and included in the computation of the balance due or overpayment, whichever is applicable. If a balance due is computed, payment should be remitted with Form CBT-100S-V, the payment voucher located inside the back cover of the packet. Additional information concerning the CBT-100S-V can be found on the inside of the front cover.

In addition, as part of the Business Tax Reform Act P.L. 2002, Chapter 40, a Study Commission was created to review the Corporation Business Tax and to make recommendations to modernize it. As part of that process, the Division will continue to gather statistical information from returns filed, including information from Schedule A and Schedule A-4. All taxpayers are requested to fully complete these schedules on the state forms rather than attaching separate schedules.

If additional information is needed to complete this return, please contact the Division of Taxation's Customer Service Center at (609) 292-6400 or write to the Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

Robert K. Thompson
Director

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CBT-100S

STATE OF NEW JERSEY

DIVISION OF TAXATION **CORPORATION TAX**

INSTRUCTIONS FOR S CORPORATION BUSINESS TAX RETURN
(Form CBT-100S - 2003)

SCHEDULE CHART

TAXPAYER MUST COMPLETE SCHEDULES INDICATED BY "X" FOR ITS RESPECTIVE CLASS AND ATTACH A COPY OF THE CORRESPONDING FEDERAL RETURN 1120S

CLASS OF TAXPAYER	SCHEDULES																			
	A	A-2	A-3	A-4	B	C	E	F	G	H	I	J	K	P	P-1	PC	Q	R	S	NJ-K-1
1. Non-Allocating	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X
2. Allocating	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
3. NJ QSSS				X												X	X			X

NOTE: If applicable, Schedule G-2, Schedule N and Schedule O are available from the Division's Website or Taxpayer Forms Services. Refer to the index on page 13.

1. COMPLETING AND MAILING RETURNS:

Please read all instructions carefully before completing returns.

(a) Statutory references are to the New Jersey Statutes Annotated and indicate, unless otherwise designated, the section of the Corporation Business Tax Act, as amended and supplemented, on which the instruction is based. To obtain additional information or tax forms, follow the instructions on page 13.

(b) Remove the preprinted name and address label from the back of the booklet and place it in the appropriate space provided on the return. If any information on this label is incorrect, make all necessary changes on the label. If no label is provided, print or type the Federal Employer Identification Number, New Jersey Corporation Number, Corporation Name, and complete address and zip code in the space provided on the return.

(c) Provide the remaining information requested on the top portion of the return. The principal business activity code should be taken from the taxpayer's Federal tax return. Be sure to provide the location of the corporate books as well as a contact person and telephone number.

(d) Send the completed return to: State of New Jersey, Division of Taxation, Revenue Processing Center, Corporation Tax, PO Box 644, Trenton, NJ 08646-0644. Use the large preprinted envelope provided in this packet to mail the return.

2. (a) Unless the corporation is inactive for the entire period covered by the return, all schedules and questions must be answered unless permission to omit or substitute is indicated on the return form. All applicable schedules must be submitted on the official New Jersey tax form or an exact reproduction thereof. If the answer to any item is "No" or "None", write "No" or "None". Do not merely leave the item blank.

(b) **Inactive corporations** that, during the period covered by the return, did not conduct any business, did not have any income, receipts or expenses, did not own any assets, did not make any distributions, and did not have any change in ownership, need only submit a completed page 1 of the return and Schedule CAR-100, along with Schedule I, Certification of Inactivity. Payment for the related minimum tax liability, the installment payment (if applicable) and the annual report and/or registered agent change fees must be submitted with Form CBT-100S-V. Refer to instruction 25.

3. (a) **2003 ACCOUNTING PERIODS AND DUE DATES:**

This 2003 S Corporation Business Tax Return should only be used for accounting periods ending on and after July 31, 2003 through June 30, 2004. The due dates for all 2003 Corporation Business Tax Returns and payments are reported on the following schedule.

If accounting period ends on:	July 31, 2003	Aug 31, 2003	Sept 30, 2003	Oct. 31, 2003	Nov. 30, 2003	Dec. 31, 2003
Due date for filing is:	Nov. 17, 2003	Dec. 15, 2003	Jan. 15, 2004	Feb. 17, 2004	Mar. 15, 2004	Apr. 15, 2004
If accounting period ends on	Jan. 31, 2004	Feb. 29, 2004	Mar. 31, 2004	Apr. 30, 2004	May 31, 2004	June 30, 2004
Due date for filing is:	May 17, 2004	June 15, 2004	July 15, 2004	Aug. 16, 2004	Sept. 15, 2004	Oct. 15, 2004

Calendar or fiscal accounting year is the same accounting period upon which the taxpayer is required to report to the United States Treasury Department for Federal Income Tax purposes. Please note the ending month of the accounting period for Federal returns and New Jersey returns must match, however, the tax return year for the Federal and State returns may differ. (i.e. A taxable year ending 8/31/03 may be filed on a 2002 Federal 1120; the same taxable year must be filed on a 2003 NJ CBT-100S.) All accounting periods must end on the last day of the month, except that taxpayers may use the same 52-53 week accounting year that is used for Federal Income Tax purposes, see N.J.A.C. 18:7-2.3.

Do not alter the year appearing in the upper left hand corner or the taxable year caption on page 1 of the CBT-100S. Changing the above information will delay the processing of your return. If returns are required for a different year, please refer to the index on page 13 of this booklet.

(b) **NEW CORPORATIONS:**

(1) Every New Jersey corporation acquires a taxable status beginning 1) on the date of its incorporation, or 2) on the

first day of the month following its incorporation if so stated in its certificate of incorporation. Every corporation which incorporates, qualifies or otherwise acquires a taxable status in New Jersey must file a Corporation Business Tax Return. A tax return must be filed for each fiscal period, or part thereof, beginning on the date the corporation acquired a taxable status in New Jersey regardless of whether it had any assets or conducted any business activities. No return may cover a period exceeding twelve (12) months, even by a day.

(2) Every corporation which incorporates, qualifies or otherwise acquires a taxable status in New Jersey and which has adopted a fiscal year other than December 31, shall advise the Division of Taxation promptly of the date of such accounting period. If no such advice is received on or before April 15, 2004, the taxpayer will be deemed "delinquent" if no return is filed on or before April 15, 2004.

(3) Every corporation that elects to be a New Jersey S corporation must file a "New Jersey S Corporation or New Jersey QSSS Election" (Form CBT-2553) within one calendar month subsequent to the Federal S corporation filing requirement.

(c) **TRANSACTING BUSINESS WITHOUT A CERTIFICATE OF AUTHORITY:** In addition to any other liabilities imposed by law, a foreign corporation which transacts business in this State without a certificate of authority shall forfeit to the State a penalty of not less than $200.00, nor more than $1,000.00 for each calendar year, not more than 5 years prior thereto, in which it shall have transacted business in this State without a certificate of authority. N.J.S.A. 14A:13-11(3).

4. (a) **PAYMENT OF TAX:** Make remittance payable to **"State of New Jersey - CBT"** and forward with the payment voucher, CBT-100S-V, provided in this packet. **MAKE OUT A SEPARATE REMITTANCE FOR EACH TAX RETURN (CBT-100S) OR ESTIMATED PAYMENT VOUCHER (CBT-150) SUBMITTED.** Do not remit the tax for two or more returns in one check. Indicate the taxpayer's Federal Employer Identification Number on each remittance.

(b) All corporations are required to make installment payments of estimated tax. Generally, these payments are remitted with the form CBT-150. Refer to Instruction 43 for further information.

(c) Payments received will be first used to satisfy the required annual report fee(s).

5. ELECTRONIC FUNDS TRANSFERS: The Division of Revenue has established procedures to allow the remittance of tax payments through Electronic Funds Transfer (EFT). Taxpayers with a prior year's liability of $20,000 or more in any one tax are required to remit all tax payments using EFT. If you have any questions concerning the EFT program, call (609) 984-9830, fax (609) 292-1777 or write to N.J. Division of Revenue EFT Section, PO Box 191, Trenton, N.J. 08646-0191.

6. PERSONAL LIABILITY OF OFFICERS AND DIRECTORS: Any officer or director of any corporation who shall distribute or cause to be distributed any assets in dissolution or liquidation to the stockholders without having first paid all corporation franchise taxes, fees, penalties and interest imposed upon said corporation, in accordance with N.J.S.A. 14A:6-12, N.J.S.A. 54:50-18 and other applicable provisions of law, shall be personally liable for said unpaid taxes, fees, penalties and interest. Compliance with N.J.S.A. 54:50-13 is also required in the case of certain mergers, consolidations and dissolutions.

7. EXTENSION OF TIME TO FILE RETURN/INSTRUCTIONS FOR FORM CBT-200-T:

(a) AUTOMATIC EXTENSION: Where a tentative return, Form CBT-200-T, and tax payment are timely and properly filed, it is the policy of the Division of Taxation to grant an extension of no more than six (6) months for filing the CBT-100S.

The return must include the computation of tax liabilities on lines 1 and 2, the Key Corporation AMA on line 3 (for CBT-100 filers only) and, if applicable, Throw Out payments on line 4 and the Tentative Professional Fees on lines 5 and 6. Submit the completed CBT-200-T with payment of the total amount due as reflected on line 9. The tentative return must be postmarked on or before the original due date of the tax return.

(b) Request for extension of time for filing a return must be signed by an officer of the corporation, an accountant authorized to prepare this return, or any duly authorized agent of the taxpayer. Tax preparers who fail to sign the return and provide their assigned tax identification number shall be liable for a $25 penalty for each failure. If the tax preparer is not self-employed, the name of the tax preparer's employer and the employer's tax identification number should also be provided.

(c) Where a request for extension is duly made, it will be granted by the Division. Approved extensions will not be confirmed in writing.

(d) If an extension has been requested, the corporation should notify all shareholders of such request.

(e) MINIMUM TAX: see instruction 10(d).

(f) Installment Payment - Any taxpayer with a tax liability of $500 on line 1, may make a payment of 50% of line 1 in lieu of making the installment payments otherwise required. Taxpayers who report a tax liability greater than $500 on line 1 should not make an entry on line 2 and are required to make installment payments of estimated tax as indicated in Instruction 43. Any taxpayer with Professional Corporation Fee liabilities at line 5 must report and remit an installment payment of 50% of line 5.

(g) **PENALTIES AND INTEREST**

(1) Interest - The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month or fraction thereof on the unpaid balance of tax from the original due date to the date of payment. At the end of each calendar year, any tax, penalties and interest remaining due will become part of the balance on which interest will be charged. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News.* To obtain a copy, refer to the index on page 13.

NOTE: The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.

(2) Insufficiency Penalty - If the amount paid with the Tentative Return, Form CBT-200-T, is less than 90% of the tax liability computed on Form CBT-100S, or in the case of a taxpayer whose preceding return covered a full 12 month period, is less than the amount of the tax computed at the rates applicable to the current accounting year but on the basis of the facts shown and the law applicable to the preceding accounting year, the taxpayer may be liable for a penalty of 5% per month or fraction thereof not to exceed 25% of the amount of underpayment from the original due date to the date of actual payment.

8. **ACCOUNTING METHOD:** The return must be completed using the same method of accounting, cash, accrual or other, that was employed in the taxpayer's Federal Income Tax Return.

9. **RIDERS:** Where space is insufficient, attach riders in the same form as the original printed sheets. Only write on one side of the sheet.

10. **TAX RATES:**

(a) For taxpayers with total entire net income that is not subject to federal income taxation or such portion thereof as may be allocable to New Jersey, the tax rate is 1.33% (.0133). For taxpayers with total entire net income (Schedule A, line 42) of $100,000 or less, there shall be no rate of tax imposed. Tax periods of less than 12 months shall not have tax imposed if the prorated entire net income is less than $8,333 per month.

(b) The tax rate is 9.00% (.09) of entire net income that is subject to federal income taxation or such portion thereof as may be allocable to New Jersey. For taxpayers with total entire net income (Schedule A, line 42) of $100,000 or less, the applicable tax rate for entire net income that is subject to federal corporate taxation is 7.50% (.075). Tax periods of less than 12 months qualify for this reduced rate if the prorated entire net income does not exceed $8,333 per month.

For taxpayers with total entire net income (Schedule A, line 42) of $50,000 or less, the tax rate for entire net income that is subject to federal corporate taxation is 6.5% (.065). Tax periods of less than 12 months qualify for the 6.5% rate if the prorated entire net income does not exceed $4,166 per month.

(c) The tax rate on the net pro rata share of the S corporation income allocated to New Jersey for the nonconsenting shareholders is 6.37% (.0637).

(d) **MINIMUM TAX:** The minimum tax is $500, provided however that for a taxpayer that is a member of an affiliated or controlled group (as per sections 1504 or 1563 of the Internal Revenue Code of 1986) which has a total payroll of $5,000,000 or more for the return period, the minimum tax shall be $2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds $416,667 per month. Total payroll refers to the total payroll of the affiliated group rather than total New Jersey payroll of a single corporation. Taxpayers that are members of an affiliated or controlled group must submit a schedule of payroll per member with the return. **The minimum tax cannot be prorated. Zero (0) returns are not permitted.**

11. **CORPORATIONS REQUIRED TO FILE THIS RETURN:**

(a) Every corporation that has elected and qualifies pursuant to Section 1361 of the Internal Revenue Code and has qualified and been accepted as a New Jersey S Corporation is required to file a CBT-100S.

(b) Foreign corporations that meet the filing requirements and whose income is immune from tax pursuant to Public Law 86-272, 15 U.S.C. § 381 et seq., must obtain and complete Schedule N, Nexus - Immune Activity Declaration, and remit the minimum tax with the CBT-100S. Refer to instruction 32.

(c) Any corporation who for Federal purposes is treated as a Qualified Subchapter S Subsidiary is eligible to be a New Jersey Qualified Subchapter S Subsidiary. Every corporation that has qualified and has been accepted as a New Jersey Qualified Subchapter S Subsidiary is required to file a New Jersey Corporation Business Tax Return remitting only the minimum tax liability. Refer to instruction 10(d).

12. **SIGNATURE:** Each return must be signed by an officer of the corporation who is authorized to attest to the truth of the statements contained therein. The fact that an individual's name is signed on the return shall be prima facie evidence that such individual is authorized to sign the return on behalf of the corporation. Tax preparers who fail to sign the return or provide their assigned tax identification number shall be liable for a $25.00 penalty for each such failure. If the tax preparer is not self-employed, the name of the tax preparer's employer and the employer's tax identification number should also be provided. In the case of a corporation in liquidation or in the hands of a receiver or trustee, certification shall be made by the person responsible for the conduct of the affairs of such corporation.

13. **FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT:** Any change or correction made by the Internal Revenue Service or other competent authority to taxable income must be reported to the Division within ninety (90) days. Also, amended NJ-K-1's must be provided to the appropriate shareholders. To amend CBT-100S returns, use the CBT-100S form for the appropriate tax year and write "AMENDED RETURN" clearly on the front page of the form. Refer to instruction 47 for additional information.

FEDERAL/STATE TAX AGREEMENT: The New Jersey Division of Taxation and the Internal Revenue Service participate in a Federal/State program for the mutual exchange of tax information to verify the accuracy and consistency of information reported on Federal and New Jersey tax returns

14. **SCHEDULE A - COMPUTATION OF ENTIRE NET INCOME:** Every taxpayer must complete this schedule on the form provided.

(a) **GENERAL:**

(1) Where the corporation has filed a Federal Income Tax Return on its own separate basis, the figures shown at lines 1 through 21 must be the same as lines 1 through 21 on page 1 of the Federal Income Tax Return, Form 1120S.

(2) Where the corporation has not filed a separate Federal Income Tax Return, or where the figures shown at lines 1 through 21 are not the same as lines 1 through 21 on page 1 of the Federal Income Tax Return, taxpayer must explain and reconcile the differences on a rider.

(3) **Consolidated returns are not permitted**. A corporation which is included in a consolidated Federal Income Tax Return must complete lines 1 through 46 on its own separate basis without consolidation with any other corporation. **Exception:** The parent of New Jersey Qualified Subchapter S Subsidiary(ies) must include the figures from itself and all the NJ QSSS's.

(4) Line 31 - Must reflect entire net income in the same manner and to the same extent as if no Federal Income Tax S or New Jersey S election had been made.

(5) A copy of the Federal Form 1120S, including Schedule K, must be submitted with the CBT-100S.

(b) **Line 4:** Add a rider or schedules showing the same information shown on Federal Form 1120S, Federal Form 4797.

(c) **Lines 22(a) to 30:** Include all items of income and expense which pass through to the individual shareholders as reported on the Federal Schedule K. Be sure to report lines 26, 27 and 28 as deductions.

Charitable contributions are limited to 10% of taxable income for New Jersey purposes and should be stated separately on line 30.

Built-in gains must be reported on line 23(d) as a gross amount exclusive of any net effects of taxes paid by the corporation.

(d) **Line 33:** Include any interest income that was not taxable for Federal Income Tax purposes, and was not included in total income reported on line 31, Schedule A.

(e) **Line 34:** Enter the total taxes paid or accrued to the United States, 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, business presence or business activity, or any sales and use tax paid by a utility vendor, taken as a deduction in Schedule A and reflected in line 31. Refer to Instruction 24.

(f) **Line 35:** Any tax paid by the corporation on behalf of any shareholder should not have been deducted as an expense on Schedule A. However, if the corporation expensed such taxes on Schedule A, these taxes must be included in line 34.

(g) **Line 36:** Enter the depreciation and other adjustments from Schedule S. See Instruction 39.

(h) **Line 37(a): DEDUCTION FOR FOREIGN TAXES DEEMED PAID:** The portion of any IRC Section 78 gross-up included in dividend income on line 23(b), Schedule A, that is not excluded from entire net income on line 41, may be treated as a deduction for foreign taxes.

Line 37(b): Use this line to report amounts of (1) adjustments not otherwise specifically provided for and (2) gross income, less deductions and expenses in connection therewith, from sources outside the United States, not included in Federal taxable income, (3) the net effect of the elimination of non-operational and non-unitary partnership income and expenses from line 36, Schedule O, Part I and (4) the add back of any deductions for research and experimental expenditures, to the extent that those research and experimental expenditures are qualified research expenses or basic research payments for which an amount of credit is claimed pursuant to section 1 of P.L.1993, c.175 (C.54:10A-5.24) unless those research and experimental expenditures are also used to compute a federal credit claimed pursuant to section 41 of the federal Internal Revenue Code of 1986, 26U.S.C. s.41. Attach separate riders explaining fully such items.

(i) **Line 39:** A net operating loss for a taxable year may be carried forward as a net operating loss deduction to a succeeding year. An S corporation may carry forward losses generated as a C corporation prior to its New Jersey S election. A net operating loss is the excess of allowable deductions over gross income used in computing entire net income. Neither a net operating loss deduction nor the dividend exclusion is an allowable deduction in computing a net operating loss. The statute authorizes a carryover of the deduction for seven years. Report net operating loss information on Schedule A-1. See instruction 15.

The deduction for a net operating loss carryover is prohibited for periods beginning in calendar years 2002 and 2003, with the exception of net operating losses purchased under the Tax Benefit Transfer Program. Any net operating loss deduction that is disallowed due to this prohibition shall be extended for two years. A net operating loss in periods beginning in calendar years 2002 and 2003 does not stay a prior period net operating loss from expiration.

(j) **Line 41:** Dividends from all sources must be included in Schedule A. However, an exclusion from entire net income for certain dividend income may be taken as indicated in Schedule R. Taxpayer may not include money market fund income as part of the dividend exclusion. The amount of the dividend exclusion allowed to be taken as a deduction is limited to the amount of income reported on line 40 of Schedule A for that tax year.

(k) **Line 42:** If line 40 is a negative amount, **DO NOT SUBTRACT** line 41 from line 40. The loss on line 40 should be carried to line 42.

(l) **Line 43:** Must reflect the income used as a basis in determining the Federal tax payable by the corporation as reported on the Federal Form 1120S, such as certain built-in gains, net passive income, etc. Built-in gains must be reported on line 23(d) as a gross amount exclusive of any net effects of taxes paid by the corporation.

(m) **RIGHT OF DIRECTOR TO CORRECT DISTORTIONS OF NET INCOME:** The Director is authorized to adjust and redetermine items of gross receipts and expenses as may be necessary to make a fair and reasonable determination of tax payable under the Corporation Business Tax Act. For details regarding the conditions under which this authority may be exercised, refer to regulation N.J.A.C. 18:7-5.10.

15. **SCHEDULE A-1 - NET OPERATING LOSS DEDUCTION AND CARRYOVER:** Complete this schedule if a net operating loss has been carried forward from a previous tax year. An S corporation may carry forward losses generated as a C corporation prior to its New Jersey S election. Use lines 1 through 8, columns 1 through 4 to compute the net operating loss from a previous tax year or years. Determine the amount of the net operating loss by adding back to the income/loss reported on Schedule A, line 31 (CBT-100S) or Schedule A, line 28 (CBT-100) all New Jersey adjustments except for the dividend exclusion for that tax year. The amount of a net operating loss allowed to be taken as a deduction in the current tax year is limited to the amount of income reported on line 38 of Schedule A for that tax year. Use lines 9 through 15 in columns 1 and 4 to report for each year a net operating loss deduction is taken, the amount of the previous year's net operating loss used to offset entire net income before the dividend exclusion. The net amount reported on line 16 represents the unused net operating loss carryover available for future use. **The deduction for a net operating loss carryover is prohibited for periods beginning in 2002 and 2003.** Any net operating loss deduction that is disallowed due to this prohibition shall be extended by two years. If space is insufficient due to the filing of more than one tax return for the same tax year, attach a rider to report the required information.

16. **SCHEDULE A-2 - COST OF GOODS SOLD:** The amounts reported on this schedule must be the same as the amounts reported on the taxpayer's Federal income tax return.

17. **SCHEDULE A-3 - SUMMARY OF TAX CREDITS:** This schedule must be completed if one or more tax credits are claimed for the current tax period. The total on line 14 must equal the amount reported on page 1, line 10. Refer to Instruction 42 for tax credit information.

18. **SCHEDULE A-4 - SUMMARY SCHEDULE: Every corporation must complete this schedule.** Report the information on lines 1 through 12 from the return schedules indicated.

19. **SCHEDULE B - BALANCE SHEET:** Every taxpayer must complete this schedule. The amounts reported must be the same as the year end figures shown on the taxpayer's books.

20. **SCHEDULE C - RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN:** Every corporation must complete this schedule.

21. **SCHEDULE E - GENERAL INFORMATION:** All taxpayers must answer all questions on this schedule. In addition, riders must be submitted where necessary in answering the questions.

22. **SCHEDULE F - CORPORATE OFFICERS GENERAL INFORMATION AND COMPENSATION:** All applicable information should be provided for each corporate officer regardless of whether or not compensation was received.

23. **SCHEDULE G - PART I - INTEREST:** Interest paid, accrued, or incurred to related members which was deducted in computing taxable net income on line 31 of Schedule A must be reported on Schedule G, Part I. Enter the total of such interest expense on

line 37(c) of Schedule A. Do not include interest expenses and costs that were deducted directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange, or disposition of intangible property in Part I. These expenses and costs are, however, required to be included in Part II.

SCHEDULE G - PART II - INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS: Interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members which were deducted in computing taxable net income on line 31 of Schedule A must be reported on Schedule G, Part II. Enter the total of such intangible expenses and costs on line 37(d) of Schedule A.

Exceptions: If the taxpayer is claiming an exception to the disallowance of the expense reported in Part I or Part II, then the taxpayer must complete and attach Schedule G-2. This schedule may be obtained from the Division of Taxation's website. See index on page 13.

Definitions:

Related member means a person that, with respect to the taxpayer during all or any portion of the privilege period is (1) a related entity, (2) a component member as defined in subsection (b) of section 1563, of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563, (3) a person to or from whom there is attribution of stock ownership in accordance with subsection (e) of section 1563 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563 or (4) a person that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person described in (1) through (3) of this definition.

Related entity means (1) a stockholder who is an individual or a member of the stockholder's family enumerated in section 318 of the federal Internal Revenue Code of 1986 26 U.S.C. s.318, if the stockholder and the member's of the stockholder's family own, directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; (2) a stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; or (3) a corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least 50% of the value of the corporation's outstanding stock. The attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, shall apply for purposes of determining whether the ownership requirements of this definition have been met.

Intangible expenses and costs includes (1) expenses, losses, and costs, for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income before operating loss deduction and special deductions for the taxable year under the federal Internal Revenue Code of 1986, 26 U.S.C. s.1 et seq., (2) losses related to, or incurred in connection directly or indirectly with factoring transactions or discounting transactions, (3) royalty, patent, technical and copyright fees, (4) licensing fees, and (5) other similar expenses and costs.

Intangible Property means patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets and similar types of intangible assets.

Intangible Interest Expenses and Costs means amounts directly or indirectly allowed as deductions under section 163 of the federal Internal Revenue Code of 1986 26 U.S.C. s.163, for purposes of determining taxable income under the code to the extent such expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

24. **SCHEDULE H - TAXES:** Itemize all taxes which were in any way deducted in arriving at taxable net income, whether reflected at line 2 (Cost of goods sold and/or operations), line 12 (Taxes), line 19 and/or 28 (Other deductions) or anywhere on Schedule A. Also refer to instruction 14(e).

25. **SCHEDULE I - CERTIFICATION OF INACTIVITY:** In lieu of completing the entire tax return, an inactive corporation may complete this schedule along with Schedule CAR-100 and attach them to a completed page 1 of the tax return. Payment for the related minimum tax, the installment payment (if applicable) and the annual report and/or registered agent change fees must be submitted with Form CBT-100S-V. An inactive corporation is a corporation that, during the entire period covered by the tax return, did not conduct any business, did not have any income, receipts or expenses, did not own any assets, did not make any distributions, and did not have any change in ownership.

26. **SCHEDULE J PART I - GENERAL INSTRUCTIONS REGARDING ALLOCATION OF ADJUSTED ENTIRE NET INCOME:**

    (a) **WHO IS PERMITTED TO ALLOCATE:** No domestic or foreign corporation is permitted to allocate less than 100% of its adjusted entire net income to New Jersey, unless, during the period covered by the return, it **actually maintained a regular place of business outside of New Jersey** other than a statutory office.

    (b) **DEFINITION OF REGULAR PLACE OF BUSINESS:** A "regular place of business" is any bona fide office (other than a statutory office), factory, warehouse, or other space of the taxpayer which is regularly **MAINTAINED, OCCUPIED** and **USED** by the taxpayer in carrying on its business and in which one or more regular employees are in attendance. To maintain a place of business, the taxpayer must either own or rent the premises. That cost must be borne directly by the the taxpayer and not by some related entity or person.

    (c) **ALLOCATION PERCENTAGES:** In computing the allocation factor in Schedule J, division must be carried to six decimal places, e.g., .123456.

    (d) **ELECTION TO ALLOCATE:** If the taxpayer is entitled to allocate, the election should be made with the filing of the Corporation Business Tax return regardless of the amount of income reported on line 42 of Schedule A. Schedule J must be completed to validate the election.

    (e) Only the receipts, property and payroll expenses attributable to operational activity are to be used in computing the allocation factor denominators.

27. **SCHEDULE J PART II - AVERAGE VALUES:** Average value is generally computed on a quarterly basis where the taxpayer's accounting practice permits such computation. At the option of the taxpayer or the State, a more frequent basis (monthly, weekly or daily) may be used. Where the taxpayer's accounting practice does not permit computation of average value on a quarterly or more frequent basis, semi-annual or annual frequency may be used only where no distortion of average value results. If any basis other than quarterly is used, state the basis and reasons for use on attached rider.

The average values of real and tangible personal property owned which are used in determining the property fraction of the allocation factor are based on book value. The numerator and denominator must take into account accumulated depreciation deferred for net income purposes where the taxpayer accounts for its property on its books on a Federal income tax basis. Rented or leased property is valued at eight times its annual rent, including any amounts (such as taxes) paid or accrued in addition to or in lieu of rent during the period covered by the return. All other property which is used by the taxpayer but is neither owned, rented or leased, should be valued at book value, however, if no such book value exists, the market value of the property should be used.

28. SCHEDULE J PART III - COMPUTATION OF ALLOCATION FACTOR: This schedule may be omitted if the taxpayer does not maintain a regular place of business outside this State other than a statutory office, in which case the tax law requires the allocation factor to be 100%.

(a) However, if the allocation factor is 100% but the taxpayer in fact pays tax to another state based on or measured by income which is included on Schedule A of this return, it may compute a reduction in its N.J. Corporation Business Tax under certain conditions. Refer to N.J.A.C. 18:7-8.3 for eligibility and the method of computing such reduction. A copy of this regulation can be obtained from Taxpayer Forms Services or NJ TaxFax. See index on page 13. The credit for taxes paid to other jurisdictions may be claimed on Page 1, line 8. New Jersey S corporations which claim this credit must advise each shareholder of this information so that they may properly complete their New Jersey Gross Income Tax return.

(b) **LINE 1 - PROPERTY FRACTION:** For general information regarding method of valuation in arriving at average values, see instruction 27. Tangible personal property is within New Jersey if and so long as it is physically situated or located here. Property of the taxpayer held in New Jersey by an agent, consignee or factor is (and property held outside New Jersey by an agent, consignee or factor is not) situated or located within New Jersey. Property, while in transit from a point outside New Jersey to a point in New Jersey or vice versa does not have a fixed situs either within or outside the State and, therefore, will not be deemed to be "situated" or "located" either within or outside New Jersey and accordingly the average value of such property should be omitted from both the numerator and the denominator of the property fraction. Ships, aircraft, satellites used in the communications industry, and other mobile or movable property are subject to the specific rules defined in N.J.A.C. 18:7-8.4.

(c) **LINE 2(a) - 2(d) - RECEIPTS FRACTION:** Receipts from sales of tangible personal property are allocated to New Jersey where the goods are shipped to points within New Jersey.

Receipts from the sale of goods are allocable to New Jersey if shipped to a New Jersey or a non-New Jersey customer where possession is transferred in New Jersey. Receipts from the sale of goods shipped to a taxpayer from outside of New Jersey to a New Jersey customer by a common carrier are allocable to New Jersey. Receipts from the sale of goods shipped from outside of New Jersey to a New Jersey location where the goods are picked up by a common carrier and transported to a customer outside of New Jersey are not allocable to New Jersey.

Receipts from the following are allocable to New Jersey; services performed in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents or copyrights; all other business receipts earned in New Jersey.

(d) **LINES 2(e) and 2(g)**

(1) **RECEIPTS FROM SALES OF CAPITAL ASSETS:** Receipts from sales of capital assets (property not held by the taxpayer for sale to customers in the regular course of business), either within or outside New Jersey, should be included in the numerator and the denominator based upon the net gain recognized and not upon gross selling prices. Where the taxpayer's business is the buying and selling of real estate or the buying and selling of such securities for trading purposes, gross receipts from the sale of such assets should be included in the numerator and the denominator of the receipts fraction.

(2) **DIVIDEND INCOME:** The amount of dividends excluded from entire net income at line 41, Schedule A, must not be included in the numerator or denominator of the receipts fraction.

(e) **LINE 2(h) -** Receipts that have not been included in the numerator of apportionment factor of another taxing jurisdiction's tax return based on income or measured by profits, business presence or business activity, either on its own separate entity base or as part of a consolidated return, shall be excluded from the denominator. Receipts that are "throwback sales" in another jurisdiction also shall be excluded from the denominator.

(f) **Lines 2(j) and 2(k)** - The percentage of receipts in New Jersey should be entered on both lines 2(j) and 2(k) to effect a double-weighted receipts fraction in the computation of the allocation factor.

(g) **LINE 3 - PAYROLL FRACTION:** In general, a taxpayer reporting to the Division of Employer Accounts in the New Jersey Department of Labor will allocate to New Jersey all wages, salaries and other personal service compensation, etc., reportable to that Division, including the portions thereof, in individual cases, in excess of taxable wages. All executive salaries are includible in both the numerator and denominator. See N.J.S.A. 54:10A-7 for the definition of wages, salaries and other personal services compensation allocable to New Jersey.

(h) **ALLOCATION FACTOR - GENERAL:** The allocation factor is computed by adding together the percentages shown at lines 1(c), 2(j), 2(k) and 3(c) of Schedule J, Part III for the period covered by the return, and dividing the total of the percentages by four (4). However, if the property or payroll fraction is missing, the remaining percentages are added and the sum is divided by three. If the receipts fraction is missing, the other two percentages are added and the sum is divided by two. If two of the fractions are missing, the remaining percentage may be used as the allocation factor. A fraction is not missing merely because its numerator is zero, but is missing if its denominator is zero.

If there is a declaration of nonoperational income, expenses, or assets from Schedule O, those items attributable to the non-operational activity should be excluded from the denominator of all three fractions of the allocation factor.

29. SCHEDULE J PART IV: Provide the name of the jurisdiction for which the receipts have not been included in a tax return apportionment numerator and the total amount of those receipts.

30. SCHEDULE J PARTS V and VI: Only corporations claiming the affiliated group throw out limitation must complete Schedule J, Parts V and VI. Part V must be completed to identify the Key Corporation of the affiliated group who will be reporting and remitting the increase tax effect limitation ($5,000,000). The Key Corporation must also complete Form 400. See index on page 13. Part VI is a schedule for the computation of the Throw Out Tax to be completed if the taxpayer is a member of an affiliated or

controlled group whose aggregate combined change in tax liability exceeds $5,000,000 due to the throw out of receipts.

Taxpayers claiming the throw out limitation must use the allocation factor reported on Schedule J, Part VI, line 15, to compute their individual tax liability. Enter this number on page 1, line 2 of the CBT-100S. Taxpayers NOT claiming the throw out limitation must use the allocation factor reported on Schedule J, Part III, line 5. Enter this number on page 1, line 2 of the CBT-100S.

31. SCHEDULE K - SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC.

(a) **PART I**

Line 1 - Enter the total number of shareholders as of the closing date of this return.

Line 2 - Enter the total number of non-resident shareholders included on line 1 above.

Lines 3(a) and (b) - Enter the total number of nonconsenting shareholders included on line 1 and the percentage of stock owned as of the closing date of this return. A nonconsenting shareholder is not an initial shareholder of a New Jersey S corporation, but one that has acquired stock after the original New Jersey S election and has failed to consent to the NJ tax jurisdiction.

(b) **PART II - NEW JERSEY S CORPORATION INCOME (LOSS)**

Lines 2(a) - (l) - Enter the amounts of income or loss as reported on the corresponding lines of your Federal Form 1120S, Schedule K.

Lines 4(a) - (d) Additions

(a) Enter any State and municipal interest income that was not included in line 3. Do not include interest received or credited from obligations of the State of New Jersey or any of its political subdivisions.

(b) Enter the total taxes paid or accrued to 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 income taxes paid or accrued by the corporation on behalf of, or in satisfaction of the liabilities of, the shareholders of the corporation, taken as a deduction on the CBT-100S, Schedule A and reflected in line 3, Part II of Schedule K.

(c) Enter all interest on indebtedness incurred or continued, expenses paid and incurred to purchase, carry, manage or conserve, and expenses of collection of the income or gain from obligations the income or gain from which is deductible pursuant to N.J.S.A. 54A:6-14 and 6-14.1, and reflected in line 3, Part II of Schedule K.

(d) Enter any losses reflected in line 3 that are not deductible for New Jersey Gross Income Tax purposes pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e. losses from exempt Federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

Lines 6(a) - (e) Subtractions

(a) Enter any interest income reflected in line 3 that is not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e. interest income on exempt Federal obligations.

(b) Enter any gains reflected in line 3 that are not subject to New Jersey Gross Income Tax pursuant to N.J.S.A. 54A:6-14 and 6-14.1, i.e. gains or losses from exempt Federal obligations and/or obligations of the State of New Jersey or its political subdivisions.

(c) IRS Section 179 expenses from Federal Schedule K.

(d) 50% of meals and entertainment expenses not deductible for Federal purposes.

(e) Other subtractions -

(1) Expenses to generate Federal tax exempt income that is taxable for New Jersey Gross Income Tax purposes. Attach schedule.

(c) **PART III - ALLOCATION OF S CORPORATION INCOME (LOSS)**

Line 1 (a) - If you have completed Schedule O - Nonoperational Activity, enter the amount reported on Part I, line 34, of Schedule O. If you have not completed Schedule O, enter zero on this line. If the nonoperational income has already been deducted from line 1 via adjustments made in Part II, make no adjustments on this line.

Line 5 - If you have completed Schedule O - Nonoperational Activity, enter the amount reported on Part III, line 31, column C, Total Allocated New Jersey Portion. If you have not completed Schedule O, enter a zero on this line.

(d) **PART IV**

Distributions for New Jersey tax purposes should be made in the same manner as for Federal tax purposes following the rules listed in Sections 1368 and 1371 of the Internal Revenue Code.

(e) **PART IV-A**

ANALYSIS OF NEW JERSEY ACCUMULATED ADJUSTMENTS ACCOUNT (AAA) - This account reflects New Jersey S corporation earnings after a New Jersey S corporation election has been filed and approved.

NOTE: If applicable, the allocation percentage from Schedule K, Part III, line 3 should be used for all allocated amounts indicated below.

1. Column A, New Jersey AAA, includes:

   Resident - All items of income, loss, reduction or distribution regardless of where it is generated (include both allocated and non-allocated amounts). Allocated and non-allocated amounts refer to the corporation's New Jersey allocation factor.

   Nonresident - Items of income, loss, reduction or distribution generated from New Jersey sources (include allocated amounts only).

2. Column B, Non New Jersey AAA, includes:

   Resident - No items.

   Nonresident - Items of income, loss, reduction or distribution generated from non-New Jersey sources (include non-allocated amounts only).

Line 1 - Enter the prior year ending balance of the New Jersey Accumulated Adjustments Account (AAA). For the first year of the New Jersey S corporation election, the beginning balance of the New Jersey AAA account will be zero.

Line 2 - Enter the net pro rata share of **allocated** and **non-allocated** S corporation income or loss for resident shareholders and the net pro rata share of **allocated** S corporation income for nonresident shareholders.

Line 3 - Enter the total of the **allocated** and **non-allocated** tax-exempt income or loss for resident shareholders and the **allocated** tax-exempt income or loss for non-resident shareholders.

Line 4 - Enter the total of the **allocated** and **non-allocated** other reduction(s) for resident shareholders and the **allocated** other reduction(s) for non-resident shareholders. Other reductions include charitable contributions made by the S corporation, taxes based on income paid by the S

corporation (the taxes added back on Schedule K, Part II, line 4b), health or life insurance paid by the S corporation, fines and penalties paid by the S corporation, club dues paid by the S corporation, and any foreign taxes paid by the S corporation. Also, other reductions should include any other adjustments for expenses which are nondeductible for federal income tax purposes in determining income but must be taken into consideration in calculating the ending balance of AAA in the year the expenses are incurred or paid, and are not already included in Schedule K, Part II. Provide a Schedule detailing other reductions.

Line 5 - Enter the total of lines 1, 2, 3 and 4.

Line 6 - Enter the total of the **allocated** and **non-allocated** distribution(s) for the resident shareholder and the **allocated** distribution(s) for the non-resident shareholder. Federal rules governing distributions must be followed.

(f) **PART IV-B**

NEW JERSEY EARNINGS AND PROFITS ACCOUNT - This account reflects New Jersey C corporation earnings prior to any New Jersey S corporation election.

Line 1 - Enter the beginning balance of the New Jersey E & P account. For the first year of the New Jersey S corporation election, the beginning balance of the earnings and profits account will be the retained earnings of the corporation prior to the New Jersey S election. If the retained earnings of the corporation prior to the New Jersey S election is a negative amount, enter ZERO.

Line 2 - Enter any additions or adjustments that must be made for Federal income tax purposes.

Line 3 - Enter any dividends paid during the tax year from the earnings and profits account. Refer to instruction 31(e), line 6.

(g) **PARTS V, VI and VII**

Complete Parts V, VI and VII including shareholders' full names and social security numbers. List **ALL** shareholders in the S corporation receiving either a Federal or New Jersey K-1. Report all distributions issued to shareholders during the reporting period whether in cash or property. If additional space is required, attach separate schedules in the exact format for the additional shareholders.

1. **PART V** - For resident shareholders, indicate their pro rata share of S corporation income from all sources.'
2. **PART VI** - For consenting non-resident shareholders, indicate the income/loss allocated to New Jersey in column (C) and the income/loss not allocated to New Jersey in column (D).
3. **PART VII** - For nonconsenting non-resident shareholders, indicate the income/loss allocated to New Jersey in column (C) and the income/loss not allocated to New Jersey in column (D). Enter on page 1, lines 18 and 19 of the CBT-100S, the totals reported from Part VII, column (C), the income allocated to New Jersey, and column (F), Gross Income Tax Paid, respectively. If the income allocated to New Jersey is a loss, enter a zero (0) on lines 18 and 19 on page 1 of the CBT-100S.

32. SCHEDULE N - NEXUS - IMMUNE ACTIVITY DECLA-RATION: Foreign corporations that claim their income is immune from taxation pursuant to Public Law 86-272, 15 U.S.C. § 381 et seq., must complete Schedule N and file it with the CBT-100S. This schedule may be obtained from the Division of Taxation's website.

33. SCHEDULE O - NONOPERATIONAL ACTIVITY: Corporations that claim to have nonoperational activity, nonoperational assets or non-unitary partnership investments must complete Schedule O and file it with the CBT-100S. This schedule may be obtained from the Division of Taxation's website. Complete lines 4(a) and 4(b) on page 1 only if a completed Schedule O is attached to the return.

34. SCHEDULE P - SUBSIDIARY INVESTMENT ANALYSIS: Itemize the investment in each subsidiary company, showing the name of each subsidiary, the percentage of interest held in each company, the individual book value included in the balance sheet for each subsidiary investment and the amount of dividends received from each subsidiary which is included in gross income on Schedule A. Do not include advances or other receivables due to subsidiaries in the book value reported at Column 3.

35. SCHEDULE P-1 - PARTNERSHIP INVESTMENT ANALYSIS: Itemize the investment in each partnership, limited liability company and any other entity which is treated for Federal tax purposes as a partnership. List the name, the Federal Identification Number, and the date and state where organized, for each partnership. Also, check the type of ownership (general or limited), the tax accounting method used to reflect your share of partnership activity on this return (flow through method or separate accounting) and whether or not the partnership has nexus in New Jersey. Itemize in Column 7 the amount of tax payments made on behalf of the taxpayer by partnership entities. Carry the total amount of taxes paid on behalf of taxpayer to page 1, line 16(a). Attach a copy of Schedule NJ-K-1 from form NJ-1065 if the partnership is filing in New Jersey, or the Federal Schedule K-1 if not. Any one member limited liability company should be included on this schedule. Corporations who claim that their partnership investments are non-unitary and therefore are utilizing the Separate Tax Accounting Method must complete Schedule O to report this activity and compute the appropriate amount of tax.

36. SCHEDULE PC - PER CAPITA LICENSED PROFESSIONAL FEE:

(a) Professional Corporations (PC) formed under NJSA 14A:17-1 et. seq. or any similar laws of a possession or territory of the US, a state, or political subdivision thereof, are liable for a fee on Licensed Professionals.

(b) Per NJSA 14A:17-3, examples of licensed professionals are: certified public accountants, architects, optometrists, professional engineers, land surveyors, land planners, chiropractors, physical therapists, registered professional nurses, dentist, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, chiropodists, veterinarians and, subject to the Rules of the Supreme Court, attorneys-at-law.

(c) The fee is assessed provided there are more than 2 professionals in the PC. The fee is assessed on professionals that are owners, shareholders, and/or employees of the Professional Corporation. The number of professionals should be calculated using a quarterly average. The fee for each resident and non-resident professional with physical nexus with New Jersey is $150. The fee for each non-resident professional without physical nexus with New Jersey is $150 multiplied by the allocation factor of the corporation. The fee is limited to $250,000 per year.

(d) In the event of a period shorter than a year, the fee and limit may be prorated by months. A fraction of a month is deemed to be a month.

(e) Line 2 - Installment Payment: A fifty percent (50%) prepayment towards the subsequent year's fee is required with the current year's return.

(f) Line 6 - Credit: Amount to be credited towards next year's fee. This fee is not eligible for refund.

37. **SCHEDULE Q - QUALIFIED SUBCHAPTER S SUBSIDIARIES (QSSS):** All Federal S corporations which are treated federally as a Qualified Subchapter S Subsidiary (QSSS) will be recognized accordingly by New Jersey. However, to qualify as a New Jersey QSSS, a copy of Federal Form 8869 and a New Jersey Form CBT-2553 signed by a corporate officer in which the corporate parent shareholder consents to taxation by New Jersey must be submitted. The Corporation Business Tax return of the New Jersey QSSS will reflect a minimum tax liability as noted in instruction 10(d). The assets, liabilities, income and expenses will be treated as those of the parent corporation. Failure to file either a Federal Form 8869 or a New Jersey Form CBT-2553 with the corporate parents consent to taxation by New Jersey will result in the denial of New Jersey QSSS status and subject the entity to taxation in New Jersey as a C corporation. A New Jersey QSSS, is required to annually file page 1 and Schedule Q of the Corporation Business Tax return along with Schedule CAR-100, the Annual Report and Form CBT-100S-V, Payment Voucher.

38. **SCHEDULE R - DIVIDEND EXCLUSION:** Taxpayers may exclude from entire net income 100% of dividends from qualified subsidiaries, if such dividends were included in the taxpayer's gross income on Schedule A. A qualified subsidiary is defined as ownership by the taxpayer of at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends. With respect to other dividends, the exclusion shall be limited to 50% of such dividends included in the taxpayer's gross income on Schedule A, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock. Taxpayers shall not include money market fund income as part of the dividend exclusion. Refer to instruction 14(j).

39. **SCHEDULE S - DEPRECIATION AND SAFE HARBOR LEASING:** All taxpayers except for gas, electric, and gas and electric utilities (who must complete Schedule S, Part III) must complete this schedule and must submit a copy of a completed Federal Depreciation Schedule, Form 4562 even if it is not required for Federal purposes. Schedule S provides for adjustments to depreciation and certain safe harbor leasing transactions.

SCHEDULE S - PART I

Line 11 Additions:

(a) Add any depreciation or cost recovery (ACRS and MACRS) which was deducted in arriving at Federal taxable income on recovery property placed in service on or after January 1, 1981 and prior to taxpayers' accounting periods beginning on and after July 7, 1993.

(b) Add any 30% bonus depreciation amounts and federal depreciation calculations which were deducted in arriving at Federal taxable income on recovery property placed in service during accounting periods beginning on and after January 1, 2002, for which federal 30% bonus depreciation was taken. Include the initial 30% bonus amount and the regular depreciation on the adjusted basis.

(c) Add distributive share of ACRS and MACRS from a partnership.

(d) Add any interest, amortization or transactional costs, rent, or any other deduction which was claimed in arriving at Federal taxable income as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code; provided, however, any such amount with respect to a qualified mass commuting vehicle pursuant to the Federal Internal Revenue Code Section 168(f)(8)(D)(v) need not be added back to net income.

Line 12 Deductions:

(a) Deduct depreciation on property placed in service after 1980 and prior to taxpayers' fiscal or calendar accounting periods beginning on and after July 7, 1993, on which ACRS and MACRS has been disallowed under 10(a) of this instruction using any method, life and salvage value which would have been allowable under the Federal Internal Revenue Code at December 31, 1980, but using the Federal basis for depreciation on the date the property was placed in service. Refer to Schedule S, Part II (A).

(b) Deduct recomputed depreciation for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% bonus depreciation was taken under 11(b) of this instruction using the same method and life which would have been allowable for Federal purposes, but using the Federal basis for depreciation on the date the property was placed in service and not as provided after taking the 30% first-year depreciation allowance. Refer to Schedule S, Part II (B).

(c) Deduct recomputed depreciation attributable to distributive share of recovery property from a partnership.

(d) Deduct any item of income included in arriving at Federal taxable income solely as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code provided, however, that any such income which relates to a qualified mass commuting vehicle pursuant to Federal Internal Revenue Code Section 168(f)(8)(D)(v) cannot be deducted from net income.

(e) Where the user/lessee of qualified lease property which is precluded from claiming a deduction for rent under 10(c) of this instruction would have been entitled to cost recovery on property which is subject to such "safe harbor lease" election in the absence of that election, it may claim depreciation on the property in accordance with 12(a) of this instruction.

(f) Gain or loss on property sold or exchanged is the amount properly to be recognized in the determination of Federal taxable income. However, on the physical disposal of recovery property, whether or not a gain or loss is properly to be recognized under the Federal Internal Revenue Code, there shall be allowed as a deduction any excess, or there must be restored as an item of income, any deficiency of depreciation disallowed at line 11(a) and (b) over related depreciation claimed on that property at line 12(a) and (b). A statutory merger or consolidation shall not constitute a disposal of recovery property.

NOTE:Uncoupling of ACRS and MACRS is not required for property placed into service during accounting periods beginning on or after July 7, 1993.

SCHEDULE S - PART III

(a) All gas, electric and gas, and electric utilities must complete this schedule in order to compute their New Jersey depreciation allowable for the single asset account which is comprised of all depreciable property placed in service prior to January 1, 1998. The basis of this asset account will be the total Federal depreciable basis as of December 31, 1997, plus the excess of the book depreciable basis over the Federal tax basis as of December 31, 1997. This basis will be reduced yearly by the Federal basis of these assets sold, retired or disposed of from January 1, 1998 to date.

(b) All taxpayers must complete Schedule S, Part I, lines 11(b), 12(b), 12(f), and 13 as well as Schedule S, Part II (B) in order to compute their New Jersey depreciation allowable for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% bonus depreciation was taken. The basis is to be determined

at the date property is placed in service and not as provided after taking the 30% first-year depreciation allowance.

40. **SCHEDULE NJ-K-1 - SHAREHOLDER'S SHARE OF INCOME / LOSS:** A copy of each shareholder's Schedule NJ-K-1 must be attached to the CBT-100S. A copy of each NJ-K-1 must be kept as part of the corporation's records, and a separate copy must be supplied to each individual shareholder on or before the date on which the CBT-100S is to be filed. The instructions for this schedule can be found on the reverse side of the form.

41. **FORM NJ-1040-SC - PAYMENT ON BEHALF OF NON-CONSENTING SHAREHOLDERS:** A copy of each NJ-1040-SC filed by the corporation on behalf of any nonconsenting shareholder must be attached to the CBT-100S. A copy must be retained by the corporation as part of its records, and a copy must also be supplied to the shareholder on whose behalf the NJ-1040-SC was filed on or before the due date of the CBT-100S. The instructions for this form can be found on the reverse side of the form.

42. **TAX CREDITS: (Refer to instruction 17)**

(a) **HMO ASSISTANCE FUND TAX CREDIT - FORM 310**: A member organization may offset against its corporation business tax liability an amount of not more than 10% of any assessment for each of the five privilege periods beginning on or after the third calendar year commencing after the assessment was paid, except that no member organization may offset more than 20% of its corporation business tax liability in any one year.

To claim this credit, the taxpayer must complete Form 310 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(b) **NEW JOBS INVESTMENT TAX CREDIT - FORM 304:** This tax credit is available for investment in new or expanded business facilities that create new jobs in New Jersey. The investment must create at least 5 new jobs (50 for large businesses) and meet the median annual compensation requirements for the current tax year. New investment is not eligible for the credit unless the average value of all real and tangible personal property in this State has increased over the prior year.

The facilities must have been purchased from an unrelated party during or after the taxpayer's accounting period beginning on or after July 7, 1993, the effective date of this legislation. It must be employed by the taxpayer in a taxable activity and must not have been in use during the 90 day period prior to purchase. Investments which qualify for the Manufacturing Equipment and Employment Investment Tax Credit cannot also qualify for this credit.

A new employee means a New Jersey resident, hired to fill a regular, permanent position in this State which did not exist prior to the qualified investment, and would not exist but for the qualified investment. The employee must be unrelated to the taxpayer and must not have been employed by the taxpayer during the six months prior to the date the investment was placed in service or use.

The taxpayer cannot claim a credit for a number of new employees that exceeds either the increase in the taxpayer's average employment for the tax year, or one-half of the taxpayer's average employment for the year. Also, individuals counted in determining the New Jobs Factor must not be ones for whom the taxpayer is allowed an Urban Enterprise Zone or Urban Development Project Employees Tax Credit.

A small or mid-sized business taxpayer must also meet the annual payroll and annual gross receipts requirements for the current tax year to qualify.

To claim this credit, the taxpayer must complete Form 304 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(c) **URBAN ENTERPRISE ZONE TAX CREDITS:** A taxpayer which has been designated as a "qualified business" as defined in the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., may qualify for either an employee tax credit or an investment tax credit. To be eligible, the taxpayer must have been certified as a qualified business by the Urban Enterprise Zones Authority. Certification is renewable annually. The urban enterprise zones are located in Asbury Park, Bayonne City, Bridgeton, Camden, Carteret, East Orange, Elizabeth, Guttenberg, Hillside, Irvington, Jersey City, Kearny, Lakewood, Long Branch, Millville, Mount Holly, Newark, North Bergen, Orange, Passaic, Paterson, Pemberton Township, Perth Amboy, Phillipsburg, Plainfield, Pleasantville, Roselle Borough, Trenton, Union City, Vineland, West New York and the Joint Wildwoods. Further information can be obtained from the New Jersey Urban Enterprise Zones Authority, New Jersey Commerce and Economic Growth Commission, PO Box 820, Trenton, New Jersey 08625-0820, phone (609) 292-1912.

The forms required to validate the employee tax credit (Form 300) and the investment tax credit (Form 301) can be obtained by following the instructions on page 13. Specific information on these tax credits can be obtained from the Regulatory Services Branch, PO Box 269, Trenton, NJ 08695-0269, phone (609) 292-5994.

(1) **Employees Tax Credit - FORM 300:** This credit is available to a taxpayer who was certified as a qualified business in the preceding tax year as well as the current tax year. Qualifying employees must have been hired after certification and must have worked six consecutive months in the tax year following the tax year in which employment began. To claim the credit, a completed Form 300 must be attached to the tax return.

(2) **Investment Tax Credit - FORM 301:** A qualified business which is not entitled to an employees tax credit may be entitled to the investment tax credit. This credit is only available to an employer with less than 50 employees. The investment must be at least $5,000 if there are 10 or fewer employees, and increases by $500 for each additional employee. To qualify for the credit, the investment must be approved by the Urban Enterprise Zones Authority. A completed Form 301 must be attached to the tax return to validate the investment tax credit claim.

(d) **REDEVELOPMENT AUTHORITY PROJECT TAX CREDIT - FORM 302:** Any taxpayer that is actively engaged in the conduct of business at a location within a project as defined in N.J.S.A. 55: 19-1 et seq., and whose business at that location consists primarily of manufacturing or other business that is not retail sales or warehousing oriented, may be entitled to claim the Redevelopment Authority Project Tax Credit. This credit is allowed in the tax year next following the tax year of qualification. To claim the credit, the taxpayer must complete Form 302 and attach it to the return. To obtain this form and related information, refer to the index on page 13. Inquiries regarding the projects should be directed to the New Jersey Redevelopment Authority, PO Box 834, Trenton, New Jersey 08625-0834, phone (609) 292-3732.

(e) **RECYCLING EQUIPMENT TAX CREDIT - FORM 303:** A taxpayer that purchased qualified recycling equipment on or after October 1, 1987 and that received a certification for this equipment from the Commissioner of the Department of Environmental Protection may be eligible to claim the Recycling Equipment Tax Credit. The recycling equipment must have been used exclusively within New Jersey, except for vehicles which must have been used primarily within New

Jersey.

The legislation governing this tax credit expired on December 31, 1996, however, any unused credits claimed prior to January 1, 1997, can be taken on the current tax return subject to the limitations set forth on Form 303.

To claim this credit, the taxpayer must complete Form 303 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(f) **MANUFACTURING EQUIPMENT AND EMPLOYMENT INVESTMENT TAX CREDIT - FORM 305:** Investments in qualified manufacturing equipment made in tax years beginning on or after January 1, 1994, may be eligible for the Manufacturing Equipment and Employment Investment Tax Credit. Such investment has the benefit of allowing a tax credit computation for the tax year in which the investment was made as well as each of the following two tax years. The tax credit computation for the first year is based on the cost of the qualified manufacturing equipment placed in service in New Jersey during that tax year. The computations for the two following tax years are based on the average increase in New Jersey residents employed in New Jersey subject to a limitation based on the cost of the investment made in the first year.

The manufacturing equipment portion is limited to 2% of the investment credit base of qualified equipment placed in service in the tax year, up to a maximum allowed credit for the tax year of $1,000,000. The employment investment portion is valid for each of the two tax years next succeeding the tax year for which the manufacturing equipment credit is allowed, but is limited to 3% of the investment credit base, not to exceed a maximum allowable amount for each of the two tax years of $1,000 multiplied by the increase in the average number of qualified employees.

To claim this credit, the taxpayer must complete Form 305 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(g) **RESEARCH AND DEVELOPMENT TAX CREDIT - FORM 306:** A taxpayer that has performed qualified research activities in New Jersey may be eligible to claim the Research and Development Tax Credit. A credit for increased research activities is allowed based on qualified expenditures made in taxable years beginning on and after January 1, 1994. It provides a credit of 10% of the excess qualified research expenses over a base amount plus 10% of the basic research payments.

Qualified research is limited to scientific experimentation or engineering activities designed to aid in the development of a new or improved product, process, technique, formula, invention, or computer software programs held for sale, lease, or license, or used by the taxpayer in a trade or business. For in-house research expenses (see Section 41(b)(2) of the Internal Revenue Code), this trade or business requirement will be met if the taxpayer's principal purpose for conducting the research is to use the results of the research in the active conduct of a future trade or business (see Section 41(b)(4) of the Internal Revenue Code).

An S corporation is allowed to claim a credit in connection with increasing research activities to the extent of its New Jersey corporation tax liability. Pass through of this credit to shareholders is not permitted. To claim this credit, the taxpayer must complete Form 306 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(h) **SMART MOVES FOR BUSINESS PROGRAMS TAX CREDIT - FORM 307:** A taxpayer that has registered with the New Jersey Department of Transportation and has an authorized report/plan to provide commuter transportation benefits may claim a tax credit based on the direct expenditures attributed to the plan.

The credit may be taken for expenditures attributed to authorized plans approved after January 1, 1994. Taxpayers subject to more than one tax for which the credit can be applied must prorate the credit amount available based on the amount that each liability has to the total of the liabilities in the reporting period.

The ride share credit is equal to 10% of the cost of commuter transportation benefits provided during the reporting period. The maximum calculation equals the per employee limit multiplied by the number of participating employees. The per employee limit is adjusted annually in proportion to the consumer price index.

To claim this credit, the taxpayer must complete Form 307 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(i) **SMALL NEW JERSEY-BASED HIGH-TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT - FORM 308:** A taxpayer may claim a tax credit in an amount equal to 10% of the qualified investment made by the taxpayer during the tax year in a small-New Jersey-based high-technology business. The maximum allowable credit for each tax year is $500,000 for each qualified investment made by the taxpayer. The small high-technology business must employ less than 225 employees, of which 75% must have jobs in New Jersey. The small high-technology business must conduct pilot scale manufacturing or qualified research in New Jersey in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, and medical device technology. At the time of this printing, P.L. 1997, c. 349 (N.J.S.A. 54:10A-5.24b) expired for privilege periods beginning on and after July 1, 2002.

To claim this credit, the taxpayer must complete Form 308 and attach it to the tax return., To obtain this form and related information, refer to the index on page 13.

(j) **NEIGHBORHOOD REVITALIZATION STATE TAX CREDIT - FORM 311**: A taxpayer that contributes financial assistance to a nonprofit sponsor may be granted a certificate authorizing a tax credit which may be used to offset their corporation business tax liability. The tax credit may be granted in an amount up to 50% of the approved assistance provided to a nonprofit organization to implement a qualified project that is part of an approved neighborhood preservation and revitalization plan. The credit may not exceed $500,000 for any taxable year.

To claim this credit, the taxpayer must complete Form 311 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(k) **EFFLUENT EQUIPMENT TAX CREDIT - FORM 312**: A taxpayer that purchases treatment or conveyance equipment for use in treatment of effluent for reuse in an industrial process exclusively within New Jersey may be able to take a tax credit. The credit is equal to 50% of the cost of the treatment equipment or conveyance equipment less the amount of any loan received and excluding the amount of sales and use tax. The amount of credit claimed for the privilege period in which the purchase is made and the amount of credit claimed therefor in each privilege period thereafter shall not exceed 20% of the amount of the total credit allowable. A copy of the determination of environmentally beneficial operation issued by the Department of Environmental Protection along with an affidavit affirming the equipment will only be used in New

Jersey must be filed with the tax return.

To claim this credit, the taxpayer must complete Form 312 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(l) **ECONOMIC RECOVERY TAX CREDIT - FORM 313**: A taxpayer that is engaged in the conduct of business within a qualified municipality and is not receiving a benefit under the "New Jersey Urban Enterprise Zones Act" may claim a tax credit equal to $2,500 for each new full-time position at that location in credit year one and $1,250 for each new full-time position at that location in credit year two.

To claim this credit, the taxpayer must complete Form 313 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

(m) **OTHER TAX CREDITS:** Line 13 on Schedule A-3 has been added to provide for any valid tax credit(s) allowable in accordance with the New Jersey Corporation Business Tax Act that were not enacted at the time that this packet was printed. Any tax credit(s) claimed on this line must be documented with a valid New Jersey Corporation Business Tax Credit Form, which is required to be submitted with the tax return. This line should not include the credit for taxes paid to other jurisdictions which should properly be reported on page 1, line 8.

43. INSTALLMENT PAYMENTS: Taxpayers are required to make installment payments of estimated tax. The requirement for making these payments is based on the amount of the total tax liability shown on the most recent return.

(a) **If the 2003 Total Tax Liability is greater than $500,** the taxpayer must make installment payments towards 2004. These payments are to be made on form CBT-150 and are due on or before the 15th day of the 4th, 6th, 9th and 12th months of the tax year. Taxpayers with gross receipts greater than or equal to $50,000,000 must make installment payments on the 15th day of the 4th, 6th and 12th months of the tax year. Details for making these payments can be found in the CBT-150 instruction booklet.

(b) **If the 2003 Total Tax Liability is $500,** installment payments may be made as indicated in (a) above **OR** in lieu of making installment payments, the taxpayer may make a payment of 50% of the 2003 total tax liability. For taxpayers who qualify and wish to take advantage of this option, enter on line 12, 50% of the amount on line 11. This will become part of the payment to be made with the 2003 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2004 return.

44. PAYMENTS AND CREDITS: Credit for the total amount of the payments and credits listed below should be taken on page 1, line 16:

(a) Include installment tax payments made with the Form CBT-150 as well as any payment made on line 14 of the 2002 CBT-100 or line 16 of the CBT-100-R or line 12 of the 2002 CBT-100S and CBT-100S-R.

(b) Include the payment, if any, that was remitted with the tentative return, form CBT-200-T.

(c) Include any overpayment from the preceding tax return which the taxpayer elected to have credited to the current year's tax.

Do not include any amount of the overpayment which the taxpayer elected to have refunded.

(d) Include any payments remitted electronically through the Electronic Funds Transfer Program.

(e) **Line 16(a)**-Include the total payments made by partnerships on behalf of the taxpayer that are reported in Column 7 on Schedule P-1. Submit copies of the K-1's reflecting payments made by each partnership entity.

45. LINE 20 - DELINQUENT FILING AND/OR TAX PAYMENT-COMPUTATION OF PENALTY AND INTEREST:

Late Filing Penalty - 5% per month or fraction thereof on the amount of underpayment not to exceed 25% of that underpayment, except if no return has been filed within 30 days of the date on which the first notice of delinquency in filing the return was sent, the penalty shall accrue at 5% per month or fraction thereof of the **total** tax liability not to exceed 25% of such tax liability. Also, a penalty of $100 for each month the return is delinquent may be imposed.

Late Payment Penalty - 5% of the balance of Corporation Business Tax and/or Gross Income Tax due paid after the due date for filing the return may be imposed.

Interest - The annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month or fraction thereof on the unpaid balance of Corporation Business Tax and/or Gross Income Tax from the original due date to the date of payment. At the end of each calendar year, any tax, penalties and interest remaining due will become part of the balance on which interest will be charged. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News*. To obtain a copy, refer to the instructions on page 13.

NOTE: The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.

Civil Fraud - If any part of an assessment is due to civil fraud, there shall be added to the tax an amount equal to 50% of the assessment in accordance with N.J.S.A. 54:49-9.1

UNDERPAYMENT OF ESTIMATED TAX: Taxpayers must use either Form CBT-160-A, CBT-160-B or CBT-160-C to determine whether an underpayment exists in any of the installment payment periods and if the corporation is subject to an interest charge on such underpayment, the amount of interest. If the taxpayer qualifies for any of the exceptions to the imposition of interest for any of the installment payments, Part II must be completed and should be filed with the taxpayer's return, form CBT-100S, as evidence of such exception. The CBT-160 must be attached to the return and any interest due included on Line 20, Page 1 of the form CBT-100S.

NOTE: For taxpayers filing Form CBT-160-A, there is no exception for the fourth quarter. Regardless of whether or not the taxpayer made a 50% installment payment with the prior year's return or had overpayments from previous quarters, a twenty five percent (25%) installment payment was required for this quarter.

46. LINE 21 - ANNUAL REPORT FEE AND REGISTERED AGENT CHANGE FEE: Enter the appropriate fee(s) due for the year on page 1, line 21. The annual report fee is $50 and the fee to change the registered agent is $25. The total amount is $50 for corporations submitting the annual report only, or $75 for corporations submitting both the annual report and registered agent change filing.

Any payments made toward the current year's Corporation Business Tax liability and/or any credits carried forward from the prior year's overpayment, which are collectively reported on page 1, line 16 and 16(a) of the tax return, can be used to satisfy the required annual report fee(s) reported on page 1, line 21 of that return.

47. AMENDED RETURNS: To amend CBT-100S returns, use the CBT-100S form for the appropriate tax year and write "AMENDED RETURN" clearly on the front page of the form. Mail to: State of New Jersey, Division of Taxation, CBT Refund Group, PO Box 259, Trenton, NJ 08695-0259.

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* These schedules and forms are available on the Division of Taxation's website, from the NJ TaxFax service or by contacting the Division. See instructions below.

TAX FORMS AND INFORMATION

To quickly obtain tax forms, information and Tax Topics Bulletins, you can access the Division of Taxation's website at www.state.nj.us/treasury/taxation or our NJ TaxFax service from your fax machine's phone at (609) 826-4500. NJ TaxTalk provides prerecorded information on NJ tax topics by calling on a touch-tone phone either within New Jersey at 1-800-323-4400 or (609) 826-4400 elsewhere. If you wish to speak to a Division of Taxation representative, call the Division's Customer Service Center at (609) 292-6400. To request a subscription to New Jersey State Tax News, e-mail taxation@tax.state.nj.us or write to: NJ Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

For forms by mail, address your request to: NJ Division of Taxation, Taxpayer Forms Services, PO Box 269, Trenton, NJ 08695-0269.

Peel off the label
and place it in
the address area
of the tax return