

Form 326  
2024

New Jersey Corporation Business Tax  
Drug Donation Program Tax Credit

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable <b>NU</b>
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Read the instructions before completing this form

Combined Return Filers

- ☐ The taxpayer is included as a taxable member on a New Jersey combined return. See instructions.  
Fill in oval if member is **not** sharing its credit with other members of the group. ☐

Part I Qualifications

1. Did the taxpayer donate over-the-counter or prescription drugs or administration supplies to a redistributor as part of a qualified drug donation program? ☐ YES ☐ NO
2. Did the taxpayer receive a receipt from the redistributor that calculates and certifies the amount of the credit for the donation? Taxpayers **must** attach the receipt(s) to Form 326. ☐ YES ☐ NO

**Note:** If the answer to either question 1 or 2 is "NO," do not complete the rest of this form. The taxpayer does **not** qualify for this tax credit. Otherwise, go to Part II.

Part II Calculation of the Available Credit

3. Enter the approved amount as shown on the receipt(s) received from the redistributor.		
Name of redistributor	Amount of credit	
(a) _____	_____	
(b) _____	_____	
(c) _____	_____	
(d) _____	_____	
Total	3.	
4. Credit carried forward from prior privilege period or tax year	4.	
5. Total credit available (add lines 3 and 4)	5.	

Part III Calculation of the Allowable Credit Amount and Carryforward  
(Combined return filers DO NOT complete Part III. Continue with Part IV.)

6. Enter tax liability from page 1, line 2a of CBT-100 or CBT-100S.	6.	
7. Enter the required minimum tax liability (see instructions)	7.	
8. Subtract line 7 from line 6	8.	
9. Enter 50% of the tax liability reported on line 6	9.	
10. Enter the lesser of line 8 or line 9	10.	
11. Other tax credits used by taxpayer on current year's return (see instructions):		
(a) _____		
(b) _____		
(c) _____		
(d) _____		
Total	11.	
12. Subtract line 11 from line 10. If zero or less, enter zero	12.	
13. Allowable credit for the current tax period. Enter the lesser of line 5 or 12 here and on Schedule A-3, Part I of the CBT-100 or CBT-100S.	13.	
14. Amount of credit carryforward to following year's return (subtract line 13 from line 5)	14.	

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<b>Part IV Calculation of Allowable Credit Amount and Carryforward – Combined Return Filers ONLY</b>		
<b>Section A – ALL Combined Return Filers</b>		
15. Enter the group tax liability from Schedule A, Section II, Part III, line 4a, column (c) of CBT-100U...	15.	
16. Enter the amount from Schedule A, Section II, Part III, line 4b, column (c) of CBT-100U.....	16.	
17. Subtract line 16 from line 15.....	17.	
18. Enter 50% of the tax liability reported on line 15.....	18.	
19. Enter the lesser of line 17 or line 18.....	19.	
20. Other tax credits used by combined group on current year's return (see instructions):		
(a) _____		
(b) _____		
(c) _____		
(d) _____		
Total	20.	
21. Subtract line 20 from line 19. If zero or less, enter zero.....	21.	
22. Allowable credit for the current tax period. Enter the lesser of line 5 or line 21. <b>If sharing</b> , also enter in the member's column of Schedule A-3, Part I of the CBT-100U .....	22.	
<b>If SHARING credit, complete line 23.</b> <b>If NOT sharing credit, skip line 23 and complete Section B.</b>		
23. Amount of credit carryforward to following year's return (subtract line 22 from line 5).....	23.	
<b>Section B – Combined Return Filers NOT Sharing Credit</b>		
24. a) Enter combined group tax liability from line 15.....	24a.	
b) Divide line 24a by the combined group allocation factor from Schedule J, line 9 .....	24b.	
c) Member's share of combined group tax liability – Multiply line 24b by member's allocation factor from Schedule J, line 9 .....	24c.	
25. Required minimum tax liability.....	25.	2,000
26. Subtract line 25 from line 24c.....	26.	
27. Enter 50% of the tax liability reported on line 24c .....	27.	
28. Enter the lesser of line 26 or line 27 .....	28.	
29. Other tax credits used by taxpayer on current year's return (see instructions):		
(a) _____		
(b) _____		
(c) _____		
(d) _____		
Total	29.	
30. Subtract line 29 from line 28. If zero or less, enter zero.....	30.	
31. Allowable credit for the current tax period. Enter the lesser of line 22 or line 30 here and in the member's column of Schedule A-3, Part I of the CBT-100U .....	31.	
32. Amount of credit carryforward to following year's return (subtract line 31 from line 5).....	32.	

## Instructions for Form 326 Drug Donation Program Tax Credit

### Purpose of This Form

P.L. 2017, c.254, provides a Corporation Business Tax credit for taxpayers that donate over-the-counter drugs, prescription drugs, or administration supplies as part of a qualifying drug donation program. The program provides a credit equal to the sum of the cost of the donated items and the verifiable cost incurred to make the donation of the drugs and supplies. (N.J.S.A. 24:6M-8)

The credit is deductible against the taxpayer's regular tax liability imposed pursuant to N.J.S.A. 54:10A-5(c). The amount of the credit in addition to any other credits taken is limited to 50% of the taxpayer's total tax liability and cannot reduce the total tax liability below the statutory minimum. Any unused credit can be carried forward for up to 20 privilege periods.

This form must be completed by any taxpayer claiming a Drug Donation Program Tax Credit on Form CBT-100, CBT-100S, or CBT-100U. **A completed Form 326, along with the receipt(s) provided by the redistributor, must be included with the return to validate the claim.** Parts III and IV are used to calculate the allowable credit. Taxpayers filing Forms CBT-100 or CBT-100S complete Part III and CBT-100U filers complete Part IV.

**FYI**

Amount included in the calculation of the Drug Donation Program Tax Credit cannot be included in the calculation of any other credits.

### Combined Return Filers

If filing a combined return, the form must be completed by the member that earned the credit. All combined return filers must check the combined return filers box at the top of the form and complete Part IV, Section A.

**Members Opting Not to Share.** In general, tax credits are earned by a member of the combined group and are shareable with the combined group. However, members are not required to share their credits. See N.J.S.A. 54:10A-4.6.i and TB-90(R), *Tax Credits and Combined Returns*. In addition to Section A, members that choose not to share must also complete Part IV, Section B and fill in the oval at the top of the form to indicate they are not sharing the credit.

**FYI**

Taxpayers must include the appropriate credit form in the year the credit was earned even if they are not claiming the credit on their tax return.

### Part I – Qualifications

The answer to both questions must be "YES." If the answer to either question is "NO," the taxpayer is not entitled to the Drug Donation Program Tax Credit.

### Part II – Calculations of the Available Credit

Follow the instructions on lines 3 through 5 to calculate the total Drug Donation Program Tax Credit.

### Part III – Calculation of the Allowable Credit Amount and Carryforward (for CBT-100 and CBT-100S Filers only)

For CBT-100 and CBT-100S filers, the allowable Drug Donation Program Tax Credit for the current tax period is calculated in Part III. Combined return filers do not complete Part III, and must complete Part IV instead. The amount of this credit in addition to the amount of any other tax credits taken is limited to 50% of the taxpayer's total tax liability and cannot reduce the total tax liability below the statutory minimum.

**Line 7** – The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	CBT-100	CBT-100S
Less than \$100,000	\$500	\$375
\$100,000 or more but less than \$250,000	\$750	\$562
\$250,000 or more but less than \$500,000	\$1,000	\$750
\$500,000 or more but less than \$1,000,000	\$1,500	\$1,125
\$1,000,000 or more	\$2,000	\$1,500

If a taxpayer is filing a separate return and is a member of an affiliated or controlled group that has a total payroll of \$5,000,000 or more for the return period, the minimum tax is \$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.

**Line 11** – Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.

## **Part IV – Calculation of the Allowable Credit Amount and Carryforward for Combined Return Filers**

For CBT-100U filers, the allowable Drug Donation Program Tax Credit for the current year is calculated in Part IV. All combined return filers must complete Section A. Members that choose not to share their credit must also complete Section B.

### **Section A – To be completed by ALL combined return filers**

This section calculates the amount of credit allowable for the group. If a member chooses not to share their credit with the group, Section A must still be completed to ensure the credit allowed for the member does not exceed the amount that would otherwise be allowed against the group tax liability.

The amount of the credit calculated in this section cannot exceed 50% of the group tax liability otherwise due and cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

**Line 20** – Combined groups claiming multiple credits must list any credits already applied to the group tax liability to ensure accuracy of the calculation for maximum credit allowable.

### **Section B**

This section is used to calculate the amount of credit allowable for members that choose not to share their credit with the group. Section B is completed based on the member's share of the group tax liability. The amount of the credit calculated in this section cannot exceed 50% of the member's tax liability otherwise due and cannot reduce the tax liability to an amount less than \$2,000. The amount of the credit is also limited to the amount that would otherwise be allowed against the group tax liability if the member had been sharing the credit.

**Line 29** – Members claiming multiple credits must list any credits already applied to the member's tax liability to ensure accuracy of the calculation for maximum credit allowable.