

**FORM 342
2025**

**New Jersey Corporation Business Tax
Cultural Arts Incentives Program Tax Credit**

Name as Shown on Return	Federal ID Number	Unitary ID Number, if applicable NU
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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

- Has the taxpayer been approved by the New Jersey Economic Development Authority to receive a Cultural Arts Incentives Program Tax Credit? YES NO
- Has the taxpayer received a tax credit or credit transfer certificate issued by the New Jersey Division of Taxation? YES NO

Check the box to indicate a copy of the certificate has been submitted to the Division of Taxation.

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

Part II Calculation of the Available Credit

- Enter the approved amount as shown on the tax credit or credit transfer certificate for the current privilege period or tax year 3.
- Cultural Arts Incentives Program Tax Credit carried over from the prior privilege period or tax year. 4.
- 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.)**

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

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Part IV Calculation of Allowable Credit Amount and Carryforward – Combined Return Filers ONLY

Section A – ALL Combined Return Filers

11. Enter the group tax liability from Schedule A, Section II, Part III, line 4a, column (c) of CBT-100U ...

11.

12. Other tax credits used by combined group on current year's return (see instructions):

(a) _____

(b) _____

(c) _____

(d) _____

.....Total

12.

13. Subtract line 12 from line 11. If zero or less, enter zero

13.

14. Allowable credit for the current tax period. Enter the lesser of line 5 or line 13. **If sharing**, also enter in the member's column of Schedule A-3, Part I of the CBT-100U

14.

If SHARING credit, complete line 15.

If NOT sharing credit, skip line 15 and complete Section B.

15. Amount of credit carryforward to following year's return (subtract line 14 from line 5).....

15.

Section B – Combined Return Filers NOT Sharing Credit

16. a) Enter combined group tax liability from line 11

16a.

b) Divide line 16a by the combined group allocation factor from Schedule J, line 9

16b.

c) Member's share of combined group tax liability – Multiply line 16b by member's allocation factor from Schedule J, line 9

16c.

17. Other tax credits used by taxpayer on current year's return (see instructions):

(a) _____

(b) _____

(c) _____

(d) _____

.....Total

17.

18. Subtract line 17 from line 16c. If zero or less, enter zero

18.

19. Allowable credit for the current tax period. Enter the lesser of line 14 or line 18 here and in the member's column of Schedule A-3, Part I of the CBT-100U

19.

20. Amount of credit carryforward to following year's return (subtract line 19 from line 5).....

20.

Instructions for Form 342

Cultural Arts Incentives Program Tax Credit

Purpose of this Form

Form 342 must be completed by any taxpayer that claims a Cultural Arts Incentives Program Tax Credit ([N.J.S.A. 34:1B-383 et seq.](#)) against the tax due pursuant to [N.J.S.A. 54:10A-5](#). The credit is available to cultural arts institutions for projects involving the development or rehabilitation of a cultural arts institution facility for up to 100% of eligible project costs.

The tax certificate holder, i.e., the cultural arts institution, can sell and transfer the tax credits or use the tax credits as collateral to finance the completion of the cultural arts project. A transferee, i.e., the credit purchaser, can use the credit for the tax period *for which* it was issued, for the tax period *in which* it was issued, or for any of the next three successive tax periods. The transferee may first use the credit against tax liabilities for the tax period in which it was issued or for a succeeding tax period **without being required to amend the tax return** for the tax period for which the credit was issued. **No more than the amount of tax credits equal to the total credit amount, divided by the duration of the tax credit term, in years, may be taken in any tax period.** See [N.J.S.A. 34:1B-392\(b\)](#). A transferee can carry forward any unused portion of the tax credit for use in any of the next five successive tax periods from the tax period for which the certificate was issued regardless of which tax period the credit is first claimed against. The credit cannot be used against the Corporate Transit Fee.

Parts III and IV are used to calculate the allowable credit and carryforward. Taxpayers filing Forms CBT-100 or CBT-100S complete Part III and CBT-100U filers complete Part IV.

Taxpayers that purchased the tax credit through the Economic Development Authority tax benefit transfer program may also claim the credit using this form and are bound by the rules and limitations in the applicable credit transfer statute for the credit program.

Taxpayers may sell back tax credits to the state under the Division of Taxation tax credit purchase program. For more information, see [Director's Tax Credit Purchase Program](#).

Combined Return Filers

If filing a combined return, this 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.



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

To be eligible for the tax credit, the answer to questions 1 **and** 2 must be “YES.” If the answer to question 1 or 2 is “NO,” the taxpayer is not entitled to the Cultural Arts Incentives Program Tax Credit.

A completed Form 342 must be included with the CBT-100, CBT-100S, or CBT-100U return to validate the claim. A copy of the tax credit certificate or tax credit transfer certificate, signed by all parties, and a copy of the completed Form 342 must be submitted by mail to the New Jersey Division of Taxation, Grant and Credit Review Unit, PO Box 272, Trenton, NJ 08695-0272. Failure to submit this documentation by mail will result in the delay and/or denial of the tax credit claimed.

Part II – Calculation of Available Credit

Line 3 – Enter the amount of the approved Cultural Arts Incentives Program Tax Credit that is applied to the privilege period covered by the Corporation Business Tax return.

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 Cultural Arts Incentives Program Tax Credit is calculated in Part III. Combined return filers do not complete Part III, and must complete Part IV instead.

Line 7 – 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 total and allowable Cultural Arts Incentives 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.

Line 12 – 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 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 17 – 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.