2025 PTE-100

Pass-Through Business Alternative Income Tax Return Instructions

General Information

Pass-through entities that filed an election to pay the Pass-Through Business Alternative Income Tax must file Form PTE-100 and pay the tax due. They must also provide Schedule PTE-K-1 to each member reporting the amount of the member's share of distributive proceeds and Pass-Through Business Alternative Income Tax. Members will include a copy of the Schedule PTE-K-1 with their New Jersey Gross Income Tax or Corporation Business Tax return to claim credit for their share of the tax paid. See the instructions for the appropriate return for more information on how to claim the credit.

Pass-through entities that elect to pay the Pass-Through Business Alternative Income Tax shall make estimated payments on or before the 15th day of each of the fourth, sixth, and ninth months of the tax year and the first month of the following tax year.

Pass-through entities must file an election to pay the Pass-Through Business Alternative Income Tax before filing Form PTE-100. Elections must be made electronically prior to the original due date of the PTE-100. **If an election is not made prior to the original due date of the return, Form PTE-100 will not be accepted.**

Who Must File

Every pass-through entity that has filed an election to pay the Pass-Through Business Alternative Income Tax must file Form PTE-100.

What to File

The following forms and statements must be included with the PTE-100:

- Schedule PTE-K-1 for every member;
- Schedule PTE-160, Underpayment of Estimated Pass-Through Business Alternative Income Tax, must be included if the entity calculated an interest charge on an underpayment of installment payments or an exception to the imposition of interest.

How to File

Form PTE-100 and all related forms and payments **must** be filed electronically. Visit our website or check with your software provider to see if they support any or all of these filings. Visit the New Jersey Division of Revenue and Enterprise Services' website or email the Division of Revenue and Enterprise Services at e-GovServices@treas.nj.gov. **Paper forms mailed to the Division of Taxation will not be accepted.**

When to File

Form PTE-100 for Calendar Year 2025 is due March 16, 2026. Fiscal year returns are due the 15th day of the third month after the end of the tax year.

Any short period return must be filed by the due date of the federal Form 1065 or Form 1120-S. If Form PTE-100 is not yet available at that time, the short period return must be filed when the form becomes available.

Extension of Time to File

Taxpayers can request a six-month extension of time to file by submitting Form PTE-200-T, Pass-Through Business Alternative Income Tax Application for Extension of Time to File Form PTE-100, on or before the original due date of the return.

There is no extension of time to pay tax due. Penalties and interest are imposed whenever tax is paid after the original due date.

A six-month extension of time to file your PTE-100 may be granted if at least 80% of the total tax reported on your PTE-100 when filed is paid by the original due date. Taxpayers will be notified only if the extension is denied, but not until after the PTE-100 is actually filed.

Definitions

Pass-through entity means a partnership, an S corporation, or a limited liability company, with at least one member who is liable for tax on distributive proceeds under the New Jersey Gross Income Tax Act.

Partnership means a syndicate, group, pool, joint venture, and any other unincorporated organization through or by means of which any business, financial operation, or venture is carried on in New Jersey.

New Jersey S Corporation means a federal S corporation that is also treated as an S corporation for New Jersey purposes and files Form CBT-100S.

Member means a shareholder of an S corporation; a partner in a general, limited, or limited liability partnership; or a member of a limited liability company.

Hedge Fund Status is met for New Jersey tax purposes if the investment entity's only activity is the purchase, holding, or sale of intangible personal property, such as commodities or securities, and such intangible personal property is not held for sale to customers as defined at N.J.S.A. 54A:5-8c. An entity that qualifies for hedge fund status in one year may not meet the requirements every year. The entity must evaluate its situation on a yearly basis. The entity, not the member, must make the determination.

Accounting Method

A pass-through entity's accounting method(s) used for the PTE-100 must be the same as the accounting methods(s) used for federal purposes.

Accounting Periods

The 2025 PTE-100 should be used for:

- Calendar Year 2025;
- A partnership with a fiscal year that began in 2025;
- An S corporation with a fiscal year that began in 2025. (Tax year for Form PTE-100 may be different from Form CBT-100S.)

If filing for a fiscal year or a short tax year, enter at the top of the PTE-100 the month, day, and year the tax year began, and the month, day, and year it ended. The tax year for New Jersey purposes must be the same as the tax year for federal income tax purposes.

Rounding Off to Whole Dollars

Money items can be shown in whole dollars (eliminate amounts under 50 cents; enter amounts of 50 cents or more as the next highest dollar amount).

Signatures

The return must be signed by a general partner, limited liability company member, if applicable, a receiver, trustee in bankruptcy, or assignee, or an officer of the corporation who is authorized to attest to the truth of the statements contained in the return. The fact that an individual's name is signed on the return is prima facie evidence that the individual is authorized to sign the return on behalf of the entity.

Tax preparers. Anyone who prepares the return for a fee must sign the return as a "Paid Preparer" and must enter their Social Security number or federal practitioner tax identification number. The company or corporation name and federal employer identification number must be included if applicable. If someone prepares the return at no charge, the paid preparer's area does not need to be completed. A tax preparer who fails to sign the return or provide a correct tax identification number may incur a $25 penalty for each omission.

Time Limits for Assessing Additional Tax

Pass-through entities that elect to pay the Pass-Through Business Alternative Income Tax are subject to the provisions of the Gross Income Tax Act, which has a three-year statute of limitations (time allowed by law) for the Division of Taxation to send a bill. The Division generally has three years from the date the entity filed its PTE-100 or the original due date of the return, whichever is later, to send the entity a bill for additional tax. There is no time limit if the entity did not file a PTE-100, or if the entity filed a false or fraudulent return with the intent to evade tax. The time limit may be extended in certain circumstances.

Penalties and Interest

Late Filing Penalty. 5% per month or part of a month up to a maximum of 25% of the outstanding tax liability will be imposed when a return is filed after the due date or extended due date. A penalty of $100 for each month or part of a month the return is delinquent may be imposed.

Late Payment Penalty. 5% of the outstanding tax balance may be imposed.

Interest. 3% above the prime rate for every month or part of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties, and interest remaining due (unpaid) will become part of the balance on which interest is charged. The interest rates assessed by the Division of Taxation are published online.

Collection Fees. In addition, if the tax bill is sent to our collection agency, a referral cost recovery fee of 11% of any tax, penalty, and interest due will be added to the liability in accordance with N.J.S.A. 54:49-12.3. If a certificate of debt is issued for the outstanding liability, a fee for the cost of collection of the tax may also be imposed.

Underpayment of Estimated Tax. Failure to make estimated payments, or underpaying estimates, will result in interest on any amount underpaid. To calculate the interest due, or to claim an exception for any of the installment payments, complete Form PTE-160 and include with Form PTE-100.

Amended Returns

To amend PTE-100 returns, submit a PTE-100 for the appropriate tax year and check the box to indicate that it is an amended return. Amended returns must be submitted electronically.

Consolidated Returns

Consolidated returns (pursuant to N.J.S.A. 54A:12-3(c)(2)) are optional. A group of pass-through entities under common ownership by an individual, estate, or trust, or a group of related individuals, estates, or trusts, may file a consolidated Pass-Through Business Alternative Income Tax return. If a group decides to file a consolidated return, they must choose one entity to file the return and that entity will be known as the designated entity.

Pass-through entities are under common ownership if the individual, estate, or trust, or a group of related individuals, estates, or trusts, own more than 50% of the direct or indirect voting control of each pass-through entity. Section 318 of the federal Internal Revenue Code, 26 U.S.C. s.318, applies for determining voting control. See N.J.S.A. 54A:12-3(c)(2).

Note: References to consolidated returns in these instructions refer to Pass-Through Business Alternative Income Tax returns and are not to be confused with mandatory unitary combined returns required for Corporation Business Tax purposes.

Member Entity. Each member of a consolidated return must file its own Form PTE-100. A member of a consolidated return must check the Member of Consolidated Return box and enter the name and federal employer identification number (FEIN) of the designated entity that will file the consolidated return. The member of the consolidated return must complete only columns A, B, and C of the Members Directory. Do not complete lines 1–10 of Form PTE-100, column D of the Members Directory, the Consolidated Members Directory, or Schedule PTE-K-1. You must provide a copy of your Members Directory to the designated entity that was chosen to file the consolidated return. Also provide the designated entity with the amount of any payments made for your pass-through entity. The designated entity will complete the tax calculation on lines 1–10 of Form PTE-100, the Consolidated Members Directory, and the PTE-K-1s. Any payments made for your pass-through entity will be transferred to the designated entity and will be claimed on the consolidated return.

Designated Entity. The designated entity filing a consolidated return on behalf of the group must check the Designated Consolidated Return box to indicate it is a consolidated return and complete as follows:

Lines 1–10: Enter the total of each member's share of distributive proceeds from column D of the Consolidated Members Directory. This is the total for all members of all entities that are part of the consolidated return.

Members Directory: Complete columns A, B, and C including only the members of the designated entity. Do not complete column D. Each member entity must file its own Form PTE-100 providing its own members' information.

Consolidated Members Directory: Enter all members of all entities that are part of the consolidated return .

Schedule PTE-K-1: Complete a Schedule PTE-K-1 for each member of every entity that is part of the consolidated return.

Fraudulent Returns

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any way may be liable for a penalty up to $7,500 or imprisonment for three to five years, or both.

Forms and Assistance

To get New Jersey tax forms, visit our website.

Assistance from a Division representative is available by contacting the Division's Customer Service Center at (609) 292-6400.

Electronic Filing Assistance

For electronic filing assistance:

- Call the Division of Revenue and Enterprise Services' Call Center at (609) 292-9292.
- Download the needed formats from the New Jersey Division of Revenue and Enterprise Services' website.

Line-by-Line Instructions

Reporting Period

If you are reporting for a period other than Calendar Year 2025, enter the beginning and ending dates of your fiscal year. The beginning date cannot be earlier than January 1, 2025.

Pass-Through Entity Identification

Enter the pass-through entity's federal employer identification number (FEIN), name, and address.

Check the box that indicates the form filed by the pass-through entity:

- Form NJ-1065, partnership return;
- Form CBT-100S, S corporation return.

Check the appropriate boxes to indicate if the pass-through entity:

- Is a General Partnership;
- Is a Limited Partnership;
- Is a Limited Liability Company;
- Is a Limited Liability Partnership;
- Is a New Jersey S corporation;
- Meets hedge fund status.

Return Type

Check the box to indicate if the return is an amended return.

Consolidated return members and designated entities check the appropriate box. Members must also include the name and FEIN of the designated entity that is filing the consolidated return on which they are included.

Pass-Through Business Alternative Income Tax Calculation

This section must be completed by all pass-through entities that are not members of a consolidated return. Consolidated return members **do not** complete this section. Designated consolidated return entities must complete this section using information from their Consolidated Members Directory.

Line 1 – Distributive Proceeds

Enter the total of each member's share of distributive proceeds from column C of the Members Directory. Designated consolidated return entities enter the total of

each member's share of distributive proceeds from column D of the Consolidated Members Directory.

Line 2 – Pass-Through Business Alternative Income Tax
Use the chart below to calculate the amount of tax and enter the tax on line 2.

Line 3 – Penalty and Interest
Include any penalties and interest. See the Penalties and Interest section for information.

If completing Form PTE-160, check the box and enter the amount calculated on Form PTE-160 in the space provided in addition to including the amount on line 3. Include Form PTE-160 with the PTE-100.

If entering penalty and interest **other than** interest on the underpayment of estimated tax, complete lines 5 and 6 **before** line 3. Subtract lines 5 and 6 from line 2 and use the result to calculate the amount of penalty and interest to include here.

Line 4 – Total Due
Add line 2 and line 3 and enter the total.

Line 5 – Payments
Include on this line:

- Estimated Pass-Through Business Alternative Income Tax payments made for 2025;
- Amounts paid with an application for extension of time to file;
- Any amount carried forward from your 2024 PTE-100.

Designated consolidated return entities include, from the Consolidated Members Directory, the total 2025 estimated tax payments, amount paid with an application for extension of time to file made by each entity included in the consolidated return, as well as any amount carried forward from the 2024 PTE-100.

Line 6 – Pass-Through Business Alternative Income Tax Credit

- **NJ-1065 filers –** If you indicate on Form NJ-1065, Schedule A, Part II, line 3, that the Pass-Through Business Alternative Income Tax will be applied to your PTE-100, enter the amount from Schedule A, Part II, line 2, column J.
- **CBT-100S filers –** If you indicate on Form 329, Part II, line 9 that the Share of Pass-Through Business Alternative Income Tax will be applied to your PTE-100, enter the amount from Form 329, Part II, line 9.

Amount Due or Overpayment – Lines 7–10
Compare line 4 with the total of lines 5 and 6.

- If the total of lines 5 and 6 is less than line 4, you have a balance due. Complete line 7.
- If the total of lines 5 and 6 is more than line 4, you have an overpayment. Complete lines 8–10.

Line 7 – Total balance due
Subtract lines 5 and 6 from line 4.

Line 8 – Overpayment
Subtract line 4 from the total of lines 5 and 6.

Line 9 – Credit to 2026
Enter the amount of the overpayment shown on line 8 that you want forwarded to your 2026 PTE-100. **Pass-through entities must file a 2026 Pass-Through Business Alternative Income Tax election before applying a credit to 2026.**

Line 10 – Refund
Subtract line 9 from line 8 and enter the result.

Members Directory

The Members Directory must be completed by all pass-through entities using their own entity's information.

List the members in order of their ownership interest in the pass-through entity, beginning with the member who holds the largest share.

Column A: Use the following codes to identify the member's residency status and type:

RI	–	New Jersey Resident Individual
NR	–	Nonresident Individual
PI	–	Part-Year Resident Individual
RP	–	New Jersey Resident Partnership
NP	–	Nonresident Partnership
RT	–	New Jersey Resident Trust
NT	–	Nonresident Trust
RE	–	New Jersey Resident Estate
NE	–	Nonresident Estate
RC	–	New Jersey Corporation
FC	–	Non-New Jersey Corporation
RO	–	New Jersey Resident Other
NO	–	Nonresident Other

If Distributive Proceeds (line 1) is: Over	But not over	Enter line 1	Multiply line 1 by:		Subtract	Pass-Through Business Alternative Income Tax
$ 0	$ 250,000	_____	X .05675	= _____	– $ 0	= _____
$ 250,000	$ 1,000,000	_____	X .0652	= _____	– $ 2,112.50	= _____
$ 1,000,000	and over	_____	X .109	= _____	– $ 45,912.50	= _____

Column B: Enter each member's Social Security number (SSN) for individuals or FEIN for entities other than individuals, as well as each member's name and address. For individuals, the address must be that of the person's principal residence. If the member is an entity other than an individual, enter the member's business name. For corporations, enter the address of commercial domicile. Enter each member's ownership percentage as of the close of the tax year. If a member disposed of all or part of an ownership interest during the year, list the member by the ownership percentage before the disposition.

Enter a "Y" if this is the final Schedule PTE-K-1 for the member.

Column C: The member's share of distributive proceeds is based on the information reported on your entity's Form NJ-1065 or CBT-100S.

- *NJ-1065 Filers.* Enter the total of lines 4, 5, and 6 from Schedule NJK-1, Part II, column A "Total Distribution," for each resident individual, trust, or estate and/or part-year resident individual partner. Enter the total of lines 4 and 6 from Schedule NJK-1, Part II, column B, "New Jersey Source Amounts," for all other partners in the pass-through entity other than for a nonresident individual, trust, or estate whose partnership checked the hedge fund box.
- *CBT-100S Filers.* Enter the total of lines 1 and 4 from Schedule NJ-K-1, Part II for each shareholder.

Total the amounts in column C. Also enter the total on line 1 of the PTE-100. Consolidated return members and designated entities **do not** enter the total of column C on line 1.

A pass-through entity must calculate their Pass-Through Business Alternative Income Tax on line 2 of Form PTE-100 before completing column D.

Column D: For each member with a positive share of distributive proceeds in column C, divide the member's share by the total distributive proceeds on line 1. Multiply this percentage by the Pass-Through Business Alternative Income Tax on line 2 and enter the result in column D. Consolidated return members and designated entities do not complete column D.

Note: If there are any negative shares of distributive proceeds in column C, those amounts must be added back to the amount on line 1 for the purpose of calculating the member's share of tax for column D.

If an amended return is filed and the member's share of tax is less than the amount reported on the original Members Directory, report the amount listed on the original Members Directory. Do not report the lesser amount, since the member is entitled to claim credit for the originally reported amount.

Consolidated Members Directory

The Consolidated Members Directory is only completed by a designated entity filing a consolidated return. Consolidated return members **do not** complete this section.

List all the members of each entity that is part of the consolidated return. List the members in order of their ownership interest in the pass-through entity of which they're a member, beginning with the member who holds the largest share.

Column A: Use the codes provided in the instructions for column A of the Members Directory.

Column B: For each member of the pass-through entities that are part of the consolidated return, enter the information as shown on the pass-through entity's Members Directory.

Column C: Enter the name and FEIN of each pass-through entity that is part of the consolidated return. Enter the designated entity first in column C.

Enter each member's share of distributive proceeds from column C of the entity's Members Directory. Enter the amount in the column for the appropriate entity(ies).

Column D: Total the amounts in column C for each member and enter the result in column D. Then total the amounts in column D. Enter this total on line 1 of the PTE-100.

Calculate the Pass-Through Business Alternative Income Tax on line 2 of Form PTE-100 before completing column E.

Column E: For each member with a positive share of distributive proceeds in column D, divide the member's share by the total distributive proceeds on line 1. Multiply this percentage by the Pass-Through Business Alternative Income Tax on line 2 and enter the result in column E.

Note: If there are any negative shares of distributive proceeds in column D, those amounts must be added back to the amount on line 1 for the purpose of calculating the member's share of tax for column E.

If an amended return is filed and the member's share of tax is less than the amount reported on the original Consolidated Members Directory, report the amount listed on the original Consolidated Members Directory. Do not report the lesser amount, since the member is entitled to claim credit for the originally reported amount.

Enter the amount of any estimated payments, any amount paid with an application for extension of time to file, and any amount carried forward from a 2024 PTE-100 by each entity that is included in the consolidated return. Enter the total and include on line 5 of the PTE-100.

Schedule PTE-K-1

Schedule PTE-K-1 provides each member with their share of distributive proceeds and Pass-Through Business Alternative Income Tax. A Schedule PTE-K-1 must be completed for every member that was a member of the pass-through entity at any time during the year.

Members must be furnished with a copy of their Schedule PTE-K-1 on or before the due date of the return (PTE-100). If interest is held by a nominee on behalf of another person, the pass-through entity is required to furnish Schedule PTE-K-1 to the nominee.

Designated consolidated return entities must complete a Schedule PTE-K-1 for each member of every entity that is part of the consolidated return. Consolidated return members **do not** complete PTE-K-1s for their own members.

A copy of all PTE-K-1s must be retained by the pass-through entity as part of the entity's records.

Name and Address

Enter the name and address of both the member and the pass-through entity. Enter the FEIN of the pass-through entity and, if the particular member is an entity other than an individual, enter the FEIN of the member as well. If the member is a person, enter their Social Security number. If the member is an Individual Retirement Arrangement (IRA), enter the identification number of the custodian of the IRA, not the Social Security number of the person for whom the IRA is maintained. If the member is a disregarded entity (DE), enter the FEIN, name, and address of the beneficial owner of the DE.

If spouses each had an interest in the pass-through entity, prepare a separate Schedule PTE-K-1 for each spouse. If spouses held an interest together as one member, prepare one Schedule PTE-K-1.

For a consolidated return, the designated entity is the pass-through entity. Enter the required information and check the box to indicate the pass-through entity is the designated entity of a consolidated return.

Disregarded Entity

If the member is a DE, such as a single member LLC that did not elect to be treated as a corporation, check the box and enter the FEIN and name of the DE.

Distributive Proceeds

Enter the member's share of distributive proceeds reported in column C of the Members Directory. Designated consolidated return entities enter the member's total share of distributive proceeds from column D of the Consolidated Members Directory.

Pass-Through Business Alternative Income Tax

Enter the member's share of Pass-Through Business Alternative Income Tax reported in column D of the Members Directory. Designated consolidated return entities enter the member's share of Pass-Through Business Alternative Income Tax from column E of the Consolidated Members Directory.

If an amended Schedule PTE-K-1 is filed, do not report less than the amount reported on the original Schedule PTE-K-1.

Exempt Corporations That are Members. An exempt corporate member that is a corporation exempt from tax pursuant N.J.S.A. 54:10A-3 can claim a refund for the amount of tax paid by the pass-through entity on its share of distributive proceeds by filing form A-3730 with an attached copy of its schedule PTE-K-1.